SUPREME COURT OF THE UNITED STATES.

No. 380.

THE NORTHERN CENTRAL RAILWAY COMPANY, PLAINTIFF IN ERROR,

vs.

JOHN G. JACKSON.

IN ERROR TO THE CIRCUIT COURT OF THE UNITED STATES FOR THE DISTRICT OF MARYLAND.

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1 THE UNITED STATES OF AMERICA, *District of Maryland, to wit:*

At a circuit court of the United States for the fourth circuit in and for the Maryland district, begun and held at the city of Baltimore on the first Monday in November, in the year of our Lord one thousand eight hundred and sixty-five.

Present, the honorable S. P. Chase, Chief Justice of the Supreme Court of the United States; William F. Giles, judge of Maryland district; William J. Jones, esquire, attorney; Washington Bonifant, esq'r, marshal; James W. Chew, clerk.

Among other were the following proceedings, to wit:

JOHN G. JACKSON
vs.
THE NORTHERN CENTRAL RAILWAY COMPANY.

Be it remembered that heretofore, to wit, on the third day of April, in the year of our Lord one thousand eight hundred and sixty-five, the said John G. Jackson, by George H. Williams and William A. Fisher, his attorneys, declared in the circuit court here against the said Northern Central Railway Company, in the words and of the tenor following, to wit:

2 Circuit court of the United States for the district of Maryland, *ss.*

UNITED STATES OF AMERICA, *District of Maryland, to wit:*

John G. Jackson, who is a subject of her Majesty the queen of Great Britain and Ireland, and an alien, sues the Northern Central Railway Company, a company duly incorporated by an act of assembly of the State of Maryland.

1. For money payable by the defendant to the plaintiff, for money lent by the plaintiff to the defendant.

2. Money had and received by the defendant for the use of the plaintiff.

3. That the plaintiff, being the holder of twenty-six hundred and fifty dollars in coupons of the bonds of said company, the defendant herein, now over due, was promised by the defendant that it would pay the same; but upon the tender thereof for payment, the said defendant refused to pay and did not pay the same.

And the plaintiff claims the sum of twenty-three hundred dollars.

GEO. H. WILLIAMS,
WM. A. FISHER,
Att'ys for Pl'ff.

[50-ct U. S. stamp.]

To the defendant:

Take notice that on your appearance to this action in the circuit court aforesaid, a rule will be entered requiring you to plead
3 thereto.

GEO. H. WILLIAMS, *Pl'ff's Att'y.*

Which said declaration is thus indorsed, to wit :

Mr. Chew :

Please file this and docket this case, by consent, to the April term.

GEO. H. WILLIAMS,
W. A. FISHER,
For Pl'ff.
J. MASON CAMPBELL,
Def't's Att'y.

And thereupon at April term of said circut court, to wit, on the first Monday of April, in the year of our Lord one thousand eight hundred and sixty-five, come into the circuit court here the parties aforesaid, by their attorneys aforesaid.

And thereupon the said John G. Jackson, by his attorneys aforesaid, prays that the said Northern Central Railway Company may answer to the declaration of him, the said John G. Jackson, in the plea aforesaid.

Whereupon it is ruled by the court here that the said Northern Central Railway Company answer to the declaration of the said John G. Jackson in the plea aforesaid, or judgment will be entered against them in default.

And the said Northern Central Railway Company, by their
4 attorney aforesaid, defend the force and injury, when, &c., and pray leave of the court here to imparle until the first Monday in November next, and they have it ; the same day is given to the said John G. Jackson then and there, &c.

At which said first Monday in November, in the year of our Lord one thousand eight hundred and sixty-five, until which day the said Northern Central Railway Company had leave to imparle, and then to answer the declaration of the said John G. Jackson in the plea aforesaid, comes again, into the circuit court here, the parties aforesaid, by their attorneys aforesaid.

And the said Northern Central Railway Company, by their attorney aforesaid, come and defend the force and injury, when, and so forth, and say that they did not undertake and promise in manner and form as the said John G. Jackson hath above complained against them, and of this they put themselves upon the country.

And the said John G. Jackson doth the like.

Whereupon, for trying the issue aforesaid, it is ordered by the court here that twenty persons from the panel of petit jurors returned to the court here by the marshal of the Maryland district aforesaid be drawn by ballot ; and thereupon the twenty persons being so drawn by ballot and written upon two lists, one of which said lists is delivered by the counsel for the *counsel for the* respective
5 parties, and the counsel for each of the said parties having stricken out four persons from the said lists, thereupon the remaining twelve persons being called, come, to wit, Arthur Carlton, William Gibson, French S. Evans, Charles Evans, Francis S.

Corkran, Charles E. Cox, Dennis Scholl, William H. Derr, Henry Fritch, Thomas Boyd, William M. Watkins, Joshua Smith, who, being empanelled and sworn to say the truth in the premises, upon their oath do say that the said Northern Central Railway Company did undertake and promise, in manner and form as the said John. G. Jackson hath above against them complained, and they assess the damages of the said John G. Jackson, by reason of the non-performance of the said promise and undertaking, to the sum of twenty-six hundred and fifty dollars.

Therefore it is considered by the court here that the said John G. Jackson recover against the said Northern Central Railway Company as well the sum of twenty-three hundred dollars, the damages in the declaration of the said John G. Jackson mentioned, as the sum of twenty-four dollars and twenty cents, adjudged by the court here unto the said John G. Jackson, on his assent, for his costs and charges by him about his suit in this behalf expended. And
6 the said Northern Central Railway Company, in mercy, &c.

Memorandum.

Judgment on verdict was entered in this action on the 22d day of November, 1865, for $2,300 damages in nar and costs, to be released on payment of $2,650, the sum found by the jury, with interest from the 22d day of November, 1865, and costs.

Before the jurors aforesaid withdrew from the bar of the court here, the said Northern Central Railway Company, by their attorney aforesaid, tendered to the court here the following bill of exceptions, and which was by the court here signed and sealed, and which is in form following, to wit :

In the circuit court of the United States for the district of Maryland.

JOHN G. JACKSON
vs.
THE NORTHERN CENTRAL RAILWAY COMPANY.

At the trial of the cause below, the plaintiff, to maintain the issue on his part joined, proved that he was a subject of her majesty the queen of Great Britain and Ireland, and the holder of $2,650 of coupons due 1 July, A. D. 1865, by the defendant on its bonds of the character of the one herewith exhibited.

30. . 30.

The Northern Central Railway Company will pay to bearer
7 Jan'y 1st, 1865, thirty dollars, being half a year's interest on bond No. 1,827, for one thousand dollars.

Coupon No. 21. J. S. LEIB, *Treas'r.*

And which the defendant admitted. And the plaintiff further proved that payment had been demanded at the proper office of the defendant, in the city of Baltimore, where the same were payable,

and that the defendant has offered to pay the same, deducting a tax of five per cent., alleged by it to be due to the United States under the act of Congress, and a further tax of three mills upon the principal of each bond, and which was by the defendant in like manner was to be reserved and payable to the State of Pennsylvania under the laws thereof, and that the plaintiff refused to accept the same allowing such deductions.

And the plaintiff further gave in evidence the charters of defendant granted it by the States of Maryland and Pennsylvania; which it is agreed may be read from the statute books of said States.

The defendant thereupon, to maintain the issue on its part joined, offers in evidence the mortgage.

This indenture, made this 20th day of December, A. D.
8 1855, between the Northern Central Railway Company, a body politic, incorporated by the States of Maryland and Pennsylvania in the year of our Lord one thousand eight hundred and fifty-four, of the first part, and William A. Keighler, William E. Mayhew, Jacob Hall Pleasants, and Anthony Kennedy, (all of the city of Baltimore and State of Maryland,) of the second part: Whereas, by the first section of the acts of the States aforesaid, incorporating the Northern Central Railway Company, the party of the first part hereto, the said company is authorized to issue its bonds, and to secure the same by one or more mortgages, for any such amount as it may find necessary for paying off any existing debt or engagement, completing the road to Sunbury, in Pennsylvania, stocking the same, laying a double track on the same or any part thereof, for extending the road to tide-water, and for constructing such docks or fixtures as from time to time may be found necessary; and whereas the said party of the first part, for the purposes aforesaid, has found it necessary, and has determined, to issue upon the security of these presents the sum of two million five hundred thousand dollars, ($2,500,000,) by the issue of its bonds to that amount in sums of one thousand dollars ($1,000) each, to the number of twenty-two hundred, numbered from one to twenty-two hundred, inclusive, and of five hundred dollars ($500) each to the number of six hundred, numbered from two thousand two hundred and one to two thousand and eight hun-
9 dred, both inclusive, payable on the first day of July, 1885, bearing interest at the rate of six per cent. per annum, and payable semi-annually on the first day of each January and July ensuing the date hereof until the principal shall become due and to be paid, the bonds so to be issued to be on an equality so far as regards the security herein given for the payment thereof, notwithstanding they may be issued at different times, each of said bonds to be authenticated by a certificate thereon, signed by any one of the parties of the second part hereto:

Now, therefore, this indenture witnesseth, that the said party of the first part, in order to secure the payment of said bonds, and for and in consideration of five dollars to said party in hand paid by the parties of the second part hereto, at and before the sealing and delivery hereof, the receipt whereof is by the fact of the execution of

these presents hereby acknowledged, hath granted, bargained, and sold, assigned, transferred, and conveyed, and by these presents doth bargain and sell, assign, transfer, and convey, unto the said William H. Keighler, William E. Mayhew, Jacob Hall Pleasants, and Anthony Kennedy, their successors and assigns, (constituting a board of trustees as is hereinafter provided,) all the property and estate of the said Northern Central Railway Company, lying and being in the States of Maryland and Pennsylvania, or either of them, including the entire line of railway from Susquehanna wharf, in the city
10 of Baltimore, to the depot in Sunbury, together with all the appurtenances belonging to the same, including the superstructure and tracks, the bridges, viaducts, and all other fixtures connected with the same, and all buildings, tenements, and structures of every kind now erected and used by said company in the working of said railway, and also all nett revenues from tolls and nett annual earnings of the said railway, which at any time hereafter before the full payment of said bonds may accrue to the said company from the said railway, and also all the machinery of the said railway used or to be used in working the same, to wit, all locomotive engines, cars for freight or for passengers, and other moving power or machinery used on the said railway, the whole of said property hereby conveyed to be subject only to such prior liens thereon, or any part thereof, as may be in existence at the date of these presents; to have and to hold all the said railway, the nett revenues and property thereof aforesaid, unto the said William H. Keighler, William E. Mayhew, Jacob Hall Pleasants, and Anthony Kennedy, and their successors in trust. Nevertheless and for and upon the trusts following, that is to say, in case the said Northern Central Railway Company shall fail to pay the principal of said bonds, or any part thereof, or the interest of said bonds or of any of them, when the same shall become due and payable, according to the tenor thereof, when demanded, then at any time after the expiration of twelve months from such default, upon the request of the holder of any of
11 said bonds, the said parties hereto of the second part and their successors shall be, and they are hereby, authorized and empowered to sell, or cause to be sold, at public auction, on such terms and conditions as they shall deem reasonable and proper, with a view to procure from the proceeds of the sale or sales thereof the full payment of the principal of said bonds and the interest due thereon, and all reasonable commissions and other expenses attending the sale, all the estate and property hereby conveyed, or so much thereof as may be necessary for the purposes aforesaid, first giving, however, previous to any such sale, notice of the same for the space of six weeks, in such newspapers published in Baltimore, Philadelphia, Harrisburg, and New York, as said parties of the second part may for that purpose select, it being hereby agreed that a sale so to be effected shall be deemed as valid and effectual to all intents as if made in pursuance of a decree of a court of equity, jurisdictions in the premises. And further that the said party of the first part hereby covenants, in the event of such default to the passing of a decree or decrees of fore-

closure of this mortgage by any court or courts of equity, or by any other process, any court having jurisdiction, in whole or in part, over the same, to which said parties of the second part may for that purpose resort. Provided, that under and by virtue of no decree or other process as aforesaid shall there be offered or effected a sale of any distinct part or portion of the road-bed, detached from
12 the remaining portion or residue of the same, and upon further trust in case such sale shall be made to convey the property sold to the purchasers thereof, upon payment of the purchase money, free and discharged from all right or title, claim or lien thereon under these presents, of the parties hereto of either part, and to apply the proceeds, firstly, to the payment of all necessary expenses and reasonable commissions attending said sale; secondly, to the payment of the principal and interest of said bonds, or so much thereof as may be unpaid; and, thirdly, to return the surplus, if any, to the said party of the first part. And the said parties do hereby further mutually covenant and agree with each other—

1st. That until such default shall be made in the payment of the principal of the said bonds, or of the interest thereon, or any portion thereof, and such sale shall be made as hereinabove provided, the said party of the first part shall keep and retain possession of all and singular the property herein or hereby conveyed, or intended hereafter to be conveyed to the same intent, and shall be entitled to use the same in whatever manner the occasion of the said Northern Central Railway Company, in the course of the usual and legitimate conduct of said road, may require, as fully as if these presents had never been executed.

2d. That the said party of the first part shall have in like manner the right and privilege from time to time, with the consent of
13 the said party of the second part, to dispose of any portion of the real and personal property intended to be conveyed by this mortgage, which consent in regard to real estate shall be exposed by the parties of the second part, by some proper writing to that effect, signed by a majority of those persons composing the said party of the second part, or by some agent duly authorized by them in writing to express their consent to the same, and in respect to personal property, such consent shall be held or implied to be given to every such disposal, unless a special objection thereto or assent therefrom be given in writing before such disposal be made, the object of this stipulation being, and the same shall be, construed, with reference thereto, to allow the said Northern Central Railway Company to use and employ the personal property described in this deed of mortgage in its fitting and appropriate service, and to dispose of the same, or any part thereof, by sale or otherwise, as often as it may be found expedient for the said company, in its proper conduct of the said road, to do so, and to manage the same as the said company may think best for the useful and profitable direction and government of its affairs.

3d. And to the intent that by so disposing of the property of the company the security of the party of the second part for the due and

faithful payment of the bonds aforesaid, and of the interest thereon, may not be impaired or diminished; that the said party may
14 always have satisfactory security for the payments of the same, the said party of the first part, whenever required thereto by the party of the second part, and often as required, shall execute and deliver to the said party of the second part any further and reasonable and necessary conveyance of the real estate, including the road-bed as aforesaid, as the same is now or may be constructed, and also of the rolling stock or other moveable property of the company which shall or may be acquired subsequently to the date hereof, which subsequently acquired property, when so conveyed, shall be held subject to the same purposes and under the same conditions and provisions as are expressed in this deed. And although no such requirement of conveyance as in this cause stipulated shall have been made from time to time, or at any time hereafter, as therein provided, (which shall be at the option of the said parties of the second part,) yet all such property and effects so to be by said company hereafter acquired by sale, purchase, exchange, or otherwise, shall, by substitution, be deemed and is hereby declared as fully covered and embraced to this mortgage as if specifically therein enumerated. And it is hereby further agreed between the parties hereto, and made part of these presents, that on payment of the principal and interest of said bonds these presents shall become null and void, and the property and estate hereby conveyed or agreed to be conveyed shall revert in the
15 party hereto of the first part. And, further, that the parties of the second part hereto, and their successors in the trust hereby created, shall be accountable each for himself and his own acts only, and not for the acts of his associates, unless assented to. And the said party of the first part doth hereby covenant with said party of the second part, and their successors in the trust hereby created, to pay to them annually, from and after one year from the date of these presents, one per cent. on the amount of the bonds issued on the faith of these presents and outstanding at the end of each year, to be by the said party of the second part and their successors in the trust received and invested first in purchasing up and retiring from circulation the bonds issued under this mortgage, provided they can be purchased at or under their par value; and if such purchase be impracticable, then the said annual percentage shall be invested in safe stocks or other securities, and, with the interest thereof, shall be set apart and appropriated as a sinking fund for the ultimate absorption and payment of said bonds and the interest thereon, and to be applied by them at the maturity of said bonds to the payment thereof and of interest thereon, and the surplus thereof, if any, after such application, to be transferred to the party of the first part. And for the purpose of maintaining the succession
16 of the party of the second part as trustees, it is further covenanted and agreed between the parties hereto that whenever and as often as a vacancy may occur in the number of the trustees by death, resignation, or disability to perform the duties of the said trust, then the existing trustees, at the time of the occurrence of such

vacancy, shall be authorized and are hereby charged with the duty to nominate a suitable and proper person of good repute and capacity for such vacancy, and, upon the approval of such nomination by the party of the first part hereto, to appoint him to fill the vacancy as aforesaid, which appointment shall be testified by a proper instrument of writing to that end, and to be lodged for record in the proper record offices of the city of Baltimore and the county of Dauphin, Pennsylvania. And the person who may thus be appointed from time to time to fill a vacancy as aforesaid shall be and is hereby invested with the same estate, and is rendered subject to the same obligations, duties, and conditions as is herein given and imposed upon the persons constituting the party of the first part and their successors.

In witness whereof, the said Northern Central Railway Company, which doth hereby appoint Robert S. Hollins, esquire, its attorney for it, to acknowledge this indenture before all persons or tribunals
17 competent by law to receive the same, hath hereunto set its corporate seal, authenticated by the signature of its president and secretary, and the said parties of the second part have also hereto set their hands and seals, on the day and date first above written.

JOHN P. KENNEDY, [SEAL.]
President Northern Central Railway Co.
ROB'T S. HOLLINS, *Sec'ry.* [SEAL.]
WM. H. KEIGHLER. [SEAL.]
WM. E. MAYHEW. [SEAL.]
J. H. PLEASANTS. [SEAL.]
ANTHONY KENNEDY. [SEAL.]

Signed, sealed, and delivered in the presence of, as to John P. Kennedy, pres'd't—

H. OMIT.
HENRY READER.

Witness as to the signature of Wm. H. Keighler, Wm. E. Mayhew, J. H. Pleasants, and Anthony Kennedy, by—

Z. COLLINS LEE.
J. LOVEGROVE.
THOS. A. JONES.

STATE OF PENNSYLVANIA, *County of Dauphin, ss:*

Before me, the subscriber, one of the justices of the peace in and for said county, personally came Robert S. Hollins, esquire, of Baltimore, known to me to be the person described in the power of attorney in the foregoing deed of indenture contained, and by virtue of the power thereby granted, acknowledged the above and foregoing instrument of writing to be the free act and deed of the Northern Central Railway Company, that the same may be recorded.

18 Witness my hand and seal this twentieth day of December, A. D. 1855.

HENRY READER, *J. P.*

STATE OF MARYLAND, *City of Baltimore, to wit:*

Be it remembered, and it is hereby certified, that on this twenty-eighth day of December, in the year of our Lord eighteen hundred and fifty-five, before the subscriber, judge of the superior court of

Baltimore city, personally appeared Rob. S. Hollins, of the city of Baltimore, he being known to me *to me* to be the person who is named and described as and professing to be the attorney appointed in and by the letter or power of attorney contained in the foregoing deed or indenture, and by virtue of the power and authority thereby granted, doth acknowledge the said indenture or instrument of writing to be act and deed of the Northern Central Railway Company, the party of the first part thereto. And at the same time appeared William H. Keighler, William E. Mayhew, Jacob Hall Pleasants, and Anthony Kennedy, the within named grantees or mortgagees, and severally made oath in due form of law that the consideration set forth in the foregoing deed of mortgage is true and bona fide as therein set forth.

In testimony whereof, I have hereunto subscribed my name on the day and year aforesaid.

Z. COLLINS LEE,
Judge of the Sup. Court of Baltimore.

19 M. Recorded, December 31st, 1855.

STATE OF PENNSYLVANIA, *Dauphin county, ss:*

I, John Ringland, recorder of deeds, &c., in and for said county, do certify that the foregoing is a true copy taken from the record of Mortgage Book M, page 424, &c., as full and entire as the same remains of record in my office.

Witness my hand and seal of office, at Harrisburg, this seventh day of November, A. D. 1865.

[SEAL.] JNO. RINGLAND, *Recorder.*

STATE OF PENNSYLVANIA, *County of Dauphin:*

I, John J. Pearson, president judge of the twelfth judicial district of Pennsylvania, composed of the counties of Dauphin and Lebanon, do certify that John Ringland, esq., is the recorder of Dauphin county; that the seal by him affixed to the above copy of record is his seal of office, and that his attestation of said record is in due form of law.

Witness my hand and seal this 10 day of November, A. D. 1865.

[SEAL.] JNO. J. PEARSON, *Pres't Judge.*

STATE OF PENNSYLVANIA, *Dauphin county:*

I, Josiah C. Young, prothonotary of the court of common
20 pleas of Dauphin county, do certify that John J. Pearson, esquire, is the president judge of the twelfth judicial district of Pennsylvania, composed of the counties of Dauphin and Lebanon, duly commissioned and qualified, and that the signature purporting to be his is genuine.

Witness my hand and seal of said court at Harrisburg, this 10 day of November, 1865.

[SEAL.] J. C. YOUNG, *Prothonotary.*

And the articles of consolidation entered into between the companies mentioned in the acts aforesaid.

Articles of union made and concluded this fourth day of December, one thousand eight hundred and fifty-four, between the Baltimore and

Susquehanna Railroad Company, the York and Maryland Line Railroad Company, the York and Cumberland Railroad Company, and the Susquehanna Railroad Company. Whereas, by an act passed by the general assembly of Maryland, at January session, eighteen hundred and fifty-four, entitled "An act to authorize the consolidation of the Baltimore and Susquehanna Railroad Company with
21 the York and *and* Maryland Line Railroad Company, and the Susquehanna Railroad Company, by the name of the Northern Central Railroad Company, it was, among other things, enacted that the stockholders of the Baltimore and Susquehanna Railroad Company be, and they are hereby, authorized, upon their expressing their assent to and accepting this act, to unite and consolidate their company or corporations with the York and Maryland Line Railroad Company, the York and Cumberland Railroad Company, and the Susquehanna Railroad Company, in the State of Pennsylvania, so as to form and constitute one company or corporation, to be called "the Northern Central Railway Company, on such terms and conditions, and conformably to such agreements and regulations, as the said several companies shall respectively determine and adopt."

And whereas, by an act passed by the general assembly of Pennsylvania, at January session, eighteen hundred and fifty-four, entitled "An act to authorize the consolidation of the York and Maryland Line Railroad Company, the York and Cumberland Railroad Company, and the Susquehanna Railroad Company with each other, and with the Baltimore and Susquehanna Railroad Company, of the State of Maryland, into one company, to be called the Northern
22 Central Railway Company, it was among other things enacted that it shall and may be lawful for the stockholders of the York and Maryland Line Railroad Company, the York and Cumberland Railroad Company, and the Susquehanna Railroad Company, upon their severally expressing their assent to, and accepting this act, to unite and consolidate their several companies with each other, and with the Baltimore and Susquehanna Railroad Company, in Maryland, so as to form and constitute one company or corporation, to be known by the name of the Northern Central Railway Company, which union or consolidation shall be made on such terms and conformably to such regulations and agreements as the said several companies shall respectively determine and adopt."

And whereas the stockholders of the said Baltimore and Susquehanna Railroad Company, of the said York and Maryland Line Railroad Company, of the said York and Cumberland Railroad Company, and of the said Susquehanna Railroad Company, have severally assented to and accepted the above mentioned acts of the general assemblies of Maryland and Pennsylvania, and have agreed to consolidate their several companies aforesaid into one company, to be known by the name of the Northern Central Railway Com-
23 pany, and have settled, determined, and agreed upon the terms and conditions of such union or consolidation in pursuance of the powers given by and in conformity to the provisions of the said above-mentioned acts:

Now, these articles witness that the Baltimore and Susquehanna

Railroad Company, the York and Maryland Line Railroad Company, the York and Cumberland Railroad Company, and the Susquehanna Railroad Company, by virtue of the authority given by the acts of the general assemblies of Maryland and Pennsylvania, have agreed, and do hereby agree, to unite said four companies into one, to be called the Northern Central Railway Company, upon the terms and conditions following:

First. The said four corporations are hereby united, and from and after the first election of directors hereinafter provided for in the third article, and the execution and delivery of the several conveyances provided for in the fourth article, shall be merged into one body corporate, under the name and style of the Northern Central Railroad Company, and all the estate, real, personal, and mixed, and all the rights, privileges, advantages, and immunities belonging to each of the said corporations shall become and be vested in the said body corporate, and the debts and liabilities of each of the said corpo-
24 rations shall be deemed, and are hereby declared to be the debts and liabilities of the said consolidated company, subject to the conditions prescribed in, and as the same are provided for and are required by the said acts of consolidation.

Second. The capital stock of the said company shall be divided into shares of fifty dollars each, and in the commencement, and until it may be thought necessary to increase the same hereafter under the authority given by the acts of incorporation, shall be established at the amount which may be found necessary to make the distribution of stock hereinafter provided for.

Third. A meeting of the stockholders of the Baltimore and Susquehanna Railroad Company, of the York and Maryland Line Railroad Company, of the York and Cumberland Railroad Company, and of the Susquehanna Railroad Company, shall be held at Calvert Station, in the city of Baltimore, on the fourth day of December, in the year eighteen hundred and fifty-four, at twelve o'clock, for the purpose of electing twelve directors of the Northern Central Railroad Company, of which meeting and of the time and place thereof, notice shall be given by the secretary of the Baltimore and Susquehanna Railroad Company, by advertisement published two weeks previous thereto, in two newspapers of the city of Baltimore, and by the secretary of the York
25 and Cumberland Railroad Company by advertisement published two weeks previous to said meeting, in at least two newspapers of the State of Pennsylvania, at which meeting twelve directors shall be elected by the said stockholders, voting in person or by proxy; and each of said stockholders, shall be entitled to vote, at such election, such number of shares of the capital stock of the Northern Central Railway Company, as he, she, or they would respectively be entitled to receive by virtue of the terms of the fifth article hereof, in lieu of stock owned on that day by him, her, or they, in either of the four companies aforesaid; and the twelve directors so elected shall hold their offices until the ensuing annual meeting of the stockholders, and until their successors are elected; and together with such additional directors as the State of Maryland

and the city of Baltimore may be legally entitled to have, and shall have appointed, shall, within thirty days after their election as aforesaid, elect a president of the said company; and the said president and directors shall thenceforward. in conformity with the authority given by the said acts of consolidation, appoint all necessary officers of said company, regulate their salaries, and make such by-laws as they may deem necessary for the government of the company, and do all other lawful acts for the proper management of the
26 affairs of said company not inconsistent with the terms and conditions herein contained.

Fourth. The Baltimore and Susquehanna Railroad Company, the York and Maryland Line Railroad Company, the York and Cumberland Railroad Company, and the Susquehanna Railroad Company shall each and severally, within ten days after the election of directors and president, provided for in the last preceding article, transfer and convey by deeds, duly executed and attested by the corporate seals of said corporations respectively, all their respective property, estate, and effects of every kind and description, as fully as they are authorized to do by the acts of the legislatures of Maryland and Pennsylvania relating to the consolidation, to the Northern Central Railroad Company, to be held in absolute property by said company, according to the provisions and conditions of the said acts authorizing the consolidations.

Fifth. In consideration of the transfer and conveyance by the Baltimore and Susquehanna Railroad Company, according to the requirements of the last preceding article, the Northern Central Railway Company shall, as soon as convenient thereafter, issue and deliver to the private stockholders of the said Baltimore and Susquehanna Railroad Company certificates for two shares of the capital stock of the Northern Central Railway Company for each one share held by each of said private stockholders respectively in the
27 said Baltimore and Susquehanna Railroad Company at the date of its said deed of transfer, and shall issue and deliver to the State of Maryland and to the city of Baltimore, each four thousand shares of the capital stock of the Northern Central Railway Company, the said several allotments of stock to the private stockholders and to the State of Maryland, and to the city of Baltimore, to be delivered in lieu of the stock held by them respectively in said Baltimore and Susquehanna Railroad Company at the date of its said deed of transfer, which latter stock, so held by the said several stockholders, shall thereupon be deemed to be extinguished, and the certificates therefor shall be delivered up to the Northern Central Railway Company to be cancelled; but the issue of stock above provided for shall not be made to any of the stockholders of the Baltimore and Susquehanna Railroad Company until a proper deed of transfer shall have been executed and delivered by the York and Maryland Line Railroad Company, as required by the last preceding article; and in consideration of the transfer and conveyance made by the York and Cumberland Railroad Company as provided for in the last preceding article, the Northern Central Railway Company shall, as soon as con-

venient thereafter, issue and deliver certificates for twenty-seven thousand two hundred shares of the capital stock of said last-
28 named company to the stockholders of the said York and Cumberland Railroad Company, and rateably divide the same among them according to the amounts of the stock of the York and Cumberland Company, held by them respectively at the date of said deed of transfer given by said company; and in case of fractions of a share of stock being required to be issued, then there shall be given to each stockholder who may be entitled to the same a script certificate for any excess over and above the par value of a share of stock; the said script certificate being fundable in stock at par, on the presentation of script certificates equal in value to one or more shares, provided that said certificates shall not be entitled to dividends until funded in stock, nor be transferable on the books of the company, except on the surrender of one or more certificates to be funded; in which case a certificate shall be issued for any balance remaining over and above any one or more shares so presented to be funded; and the said issue and delivery of the said twenty-seven thousand two hundred shares shall be in lieu of the stock of the said stockholders in the said York and Cumberland Railroad Company, which latter stock is to be cancelled and delivered up as is hereinabove provided in the case of the Baltimore and Susquehanna Railroad Company; and in consideration of the issue and delivery of the said twenty-seven thousand two hundred shares of stock
29 to the York and Cumberland Railroad Company, the said company shall be deemed (and they do hereby so declare it) to have forever relinquished and surrendered to the Northern Central Railway Company all claim or right to any interest or property in the grant heretofore made to said York and Cumberland Railroad Company by an ordinance of the mayor and city council of Baltimore, approved on the third day of April, in the year eighteen hundred and forty-eight, entitled "An ordinance to provide for the carrying into effect an act of the general assembly of Maryland, entitled "A further supplement to an act to incorporate the Baltimore and Susquehanna Railroad Company, passed at December session, eighteen hundred and forty-seven, and assented to by the mayor and city council of Baltimore at their present session," by which ordinance the said city of Baltimore granted, for fifteen years from its passage, all the dividends which might be declared in favor of said city upon the nine hundred and fifty thousand dollars of debt and stock held by the said city in the said Baltimore and Susquehanna Railroad Company; and in consideration of the transfer and conveyance, made by the Susquehanna Railroad Company as aforesaid, as provided for in the said last preceding article, the Northern Central Railway Company shall, as soon as convenient thereafter, issue and deliver to the bona fide and actual stockholders of the Susquehanna Railroad Company, who
30 have paid up the full par value of the stock subscribed by them in said company, and upon their production of the certificates of the said stock, two shares of the stock of the Northern Central Railway Company for each one share of stock in the Sus-

quehanna Railroad Company, held and paid for by them as aforesaid; the said issue of stock to be in lieu of that held by them in the said Susquehanna Company, which shall be delivered up and cancelled: Provided that the said Northern Central Railway Company shall be, and is hereby, authorized to adjust and settle the claims of the contractors with said Susquehanna Company, by virtue of their contracts, are entitled to stock in the same, either by the issue of stock to said contractors, in the proportion last above described, or if the said contractors, or any of them, prefer it, to settle the said claims respectively by giving the bonds of the Northern Railway Company for the amounts due, on such terms and conditions as the said company and the said contractors may adjust and determine between themselves; and the said Northern Central Railway Company shall also settle with the said contractors for all other claims which may be justly due to them, which settlement shall be made in such manner as the said company and the said contractors shall agree upon as satisfactory and equitable to each.

Sixth. The Northern Central Railroad Company shall, in consideration of the transfers and conveyances hereinbefore pro-
31 vided for, and in consideration of the performance of the several stipulations contained in these articles and required to be performed by the several companies above mentioned, assume upon itself and become bound and liable for all the debts, obligations, and liabilities of the several companies composing the consolidated company, including the debt of eight hundred and fifty thousand dollars ($850,000) of the Baltimore and Susquehanna Company to the mayor and city council of Baltimore, and interest on the same, or so much of said interest as the said mayor and city council may be entitled to, in accordance with the terms and conditions mentioned and prescribed in the acts of the legislatures of Maryland and Pennsylvania authorizing the consolidation.

In witness whereof, the said Baltimore and Susquehanna Railroad Company, the York and Maryland Line Railroad Company, the York and Cumberland Railroad Company, and the Susquehanna Railroad Company, the parties to these articles of union or agreement, have caused their respective corporate seals, attested by the signatures of their respective presidents and secretaries, to be hereunto affixed the day and year first hereinbefore written.

GEO. W. HUGHES,
President of Balt'e and Susq'a R. R. Co.

ROB. S. HOLLINS, *Sec'y.* [SEAL.]

GEO. W. HUGHES,
President York and Maryland Line R. R. Co.

ROB. S. HOLLINS, *Sec'y.* [SEAL.]

32 JNO. HERR,
President York and Cumberland R. R. Co.

JOHN S. LEIB, *Sec'y.* [SEAL.]

SIMON CAMERON,
President Susquehanna R. R. Co.

ROB. S. HOLLINS, *Sec'y.* [SEAL.]

OFFICE OF THE SECRETARY OF THE COMMONWEALTH,
Harrisburg, February 16, *A. D.* 1865.

PENNSYLVANIA, *ss:*

I do hereby certify that the foregoing and annexed is a full, true, and correct copy of the orginal articles of union between the Baltimore and Susquehanna Railroad Company, the York and Maryland Line Railroad Company, the York and Cumberland Railroad Company, and the Susquehanna Railroad Company, as the same remains on file in this office.

In testimony whereof, I have hereunto set my hand, and caused the seal of the secretary's office to be affixed the day and year above written.

W. H. ARMSTRONG, [SEAL.]
Deputy Secretary of the Commonwealth.

PENNSYLVANIA, *ss:*—A. G. CURTIN:

In the name and by the authority of the commonwealth of Pennsylvania, Andrew G. Curtin, governor of said commonwealth, to all to whom these presents shall come, sends greeting:

33 Know you that the attestation of certificate hereunto annexed is in true form, and made by the proper officer, and that W. H. Armstrong, whose name is subscribed thereto, was at the time of subscribing the same, and now is, deputy secretary of the said commonwealth, duly appointed and commissioned, and full faith and credit ought to be given to his official acts accordingly.

Given under my hand and the great seal of the State, at Harrisburg, this eighteenth day of February, in the year of our Lord one thousand eight hundred and sixty-five, and of the commonwealth the eighty-ninth.

By the governor:

[SEAL.] ELI SLIFER,
Secretary of the Commonwealth.

To his excellency the governor of the commonwealth of Pennsylvania:

SIR: By the 2d section of the act of the general assembly of the commonwealth of Penn., No. 531, entitled an act to authorize the consolidation of the York and Maryland Line Railroad Company, the York and Cumberland Railroad Company, and the Susquehanna Railroad Company, with each other, and with the Baltimore and Susquehanna Railroad Company, of the State of Maryland, into one company, to be called the Northern Central Railroad Company

34 approved the 3d day of May, 1854, it is enacted "that this act shall take effect whenever and as soon as the said companies hereinbefore referred to shall have agreed to consolidate their several companies into one, and shall have settled, determined, and agreed upon the terms and conditions of such consolidation in conformity with the provisions of this act, and shall make a full record and report thereof, certified by the president of said consolidated com-

pany, and have transmitted the same to the governor of this commonwealth."

I have the honor to inform you that upon a recent organization of the Northern Central Railroad Company, made in pursuance of this act, and of an act passed by the general assembly of Maryland touching the consolidation of the said companies, I have been duly elected president of said company. It has thereupon become my duty, in accordance with the clause above recited, from the act of the general assembly of the commonwealth of Pennsylvania, to transmit to your excellency the record and report of the proceedings of the several companies referred to in the said act, by which they have agreed to the consolidation, and determined the terms and conditions upon which it was to be made. This record and report will be found to be embodied in the proceedings adopted by the several companies at special adjourned meetings held by them respectively on the fourth of this present month of December, an authenticated copy of
35 which accompanies this communication. In connexion with these proceedings is an authenticated copy of the further action of the stockholders of the several companies assembled in joint meeting for the purpose of organizing the Northern Central Railroad Company, by which your excellency will be informed that on the 4th of December a board of twelve directors was duly elected by the stockholders.

A further report of the meeting of directors in the same series of proceedings will show that the board was completed in number according to law, by the appointment of two directors on the part of the State of Maryland, and two on the part of the city of Baltimore, and that the board thus organized proceeded on the 9th of this present month of December to elect a president, at which election I had the honor to receive the majority of votes, upon which I accepted the office and entered upon its duties. Accompanying the other papers, belonging to this report, I have also transmitted an original of the articles of union, which were duly executed in duplicate by the president and secretary of each company, in conformity with the directions of the stockholdders of the several companies. I have also the honor to inform your excellency that the several companies have duly executed the deeds for the surrender of their property to the Northern Central Railway Company, in conformity with the
36 articles of union and the direction of the stockholders, which deeds are now ready to be put on record, and are ordered to be deposited in the proper offices for that purpose. In the adoption of their proceedings your excellency will find that the Northern Central Railway Company is now fully organized, so far as the acts of incorporation have required, and is about to enter upon the high duties committed to it.

I have the honor to be, with the highest consideration, your ob't serv't,

JOHN P. KENNEDY,
President of the Northern Central Railway Company.

Office Northern Central Railway Co., Baltimore, December 14, 1854.

Whereas the legislatures of Pennsylvania and Maryland having respectively passed laws to authorize the consolidation of the Baltimore and Susquehanna Railroad Company, the York and Maryland Line Railroad Company, the York and Cumberland Railroad Company, and the Susquehanna Railroad Company, into one company, a body politic by the name of the Northern Central Railway Company, the stockholders of the said several companies did thereupon, in
37 the month of July last, respectively assemble, upon due notice of the objects contemplated by such meetings being given in the public papers, for the purpose of considering the said acts of consolidation; and the said companies, at their respective meetings as aforesaid, did thereupon appoint committees to confer together on the proposed consolidation, with the directions to report to the said companies respectively the terms and conditions upon which the proposed consolidation might or should be made in conformity with the said acts.

And whereas, after sundry conferences of said committees, they did severally report to their respective companies, at adjourned meetings of the stockholders of the same, to wit, to a meeting of the stockholders of the Susquehanna Railroad Company, held on the 13th of October, 1854, to a meeting of the York and Cumberland Railroad Company, held on the 16th of October, and to a meeting of the Baltimore and Susquehanna and York and Maryland Line Railroad Companies, held on the 19th of October, in the same year, a recommendation to consolidate the said companies on the terms and conditions herein set forth, and contained in the paper hereunto annexed, marked A; which terms and conditions were duly considered by said companies respectively. And the said companies respectively did thereupon assent to and accept the said acts of consolidation
38 hereinabove referred to, asked by the legislatures of Maryland and Pennsylvania, and did thereupon also severally and respectively, by the unanimous vote by the stockholders of each of said companies, agree to and adopt the said terms and conditions for the consolidation of the said companies, and did order and direct the same to be embodied and transcribed in legal binding form, to be authenticated and executed by the president and secretary of each company, in conformity with the 9th article of the said terms and conditions so reported as aforesaid. And the said companies respectively did also direct, in accordance with said terms and conditions, holding themselves bound by the same, from the date of their adoption as aforesaid, that a meeting of the stockholders of each of the said companies respectively should be held by adjournment at Calvert station, in the city of Baltimore, on Monday, the fourth day of December, 1854, at 12 o'clock, for the purpose of uniting in a general meeting, to organize the proposed consolidated company, by the name of the Northern Central Railway Company, in accordance with the acts of consolidation aforesaid, and of the terms and conditions adopted by them respectively.

And whereas the stockholders of the York and Cumberland Rail-

road Company, having now assembled on this 4th day of December, in pursuance of the above direction and appointment to unite
39 in the said general meeting of stockholders, find it necessary and proper, before entering into the said general meeting, to ratify and confirm all the proceedings heretofore had by them, in relation to the said consolidation, and to adopt some resolutions for the purpose of better carrying out and promoting the same to which end the said stockholders have convened a special meeting, and therefore do resolve that the special meeting be organized by the appointment of John Herr as chairman, and John S. Leib as secretary, and this being done it was further resolved that the stockholders of the York and Cumberland Railroad Company do hereby ratify and confirm all the proceedings heretofore had by them, and above recited in the preamble of these resolutions, declaring, first, their acceptance of and consent to the acts of Maryland and Pennsylvania relating to the consolidation; second, their adoption of, and agreement to, the terms and conditons as reported by the committee as hereinbefore set forth.

Resolved, That the said terms and conditions being now embodied and reported to this meeting as articles of union in legal and binding form, the same having now been read to this meeting, it is hereby ordered and directed that the same be formally and duly executed this day as the act of this company, by affixing thereto the
40 seal of this company, and by the signing thereof by the president and secretary of the company. And it is further ordered that the same be executed in triplicate and be delivered to the proper offices of the Northern Central Railway Company as soon as the same shall be organized.

Further resolved, That the president and secretary of this company be authorized and empowered to execute the proper and requisite deed, to be attested by their respective signatures and by the seal of this company, for the conveyance to the Northern Central Railway Company, in pursuance of the articles of union, or terms and conditions of consolidation as hereinabove described, and that said president and secretary be authorized and directed to deliver said deed when duly executed to the Northern Central Railway Company, in accordance with the said articles of union.

Resolved, That a record of these proceedings be accurately engrossed and be signed by the chairman and secretary of this meeting, and that the same be delivered to the Northern Central Railway Company.

(Signed) JOHN HERR, *Chairman.*

JOHN S. LEIB, *Secretary.*

41 At a special adjourned meeting of the stockholders of the Susquehanna Railroad Company, held on the 4th of December, 1854, at the Calvert station, Gen'l Simon Cameron in the chair and John B. Packer secretary, the same resolutions as those adopted by the York and Cumberland Company, and herein above recited, were unanimously adopted by the meeting, and being engrossed and signed by the chairman and secretary, were directed to be delivered to the Northern Central Railway Company.

"Taken from the minutes of the Susquehanna Railroad Company."
ROB. S. HOLLINS, *Sec'y S. R. R. Co.*

At a special adjourned meeting of the stockholders of the Baltimore and Susquehanna Railroad Company, held on the 4th day of December, 1854, at the Calvert station, Capt. James Frazier in the chair and James Wilson secretary, the same resolutions as those adopted by the York and Cumberland Company, and herein above recited, were unanimously adopted by the meeting, and being engrossed and signed by the chairman and secretary, were directed to be delivered to the Northern Central Railway Company.

42 "Taken from the minutes of the Baltimore and Susquehanna Railroad Company.

ROB. S. HOLLINS,
Sec'y B. and S. R. R. Co.

At a special adjourned meeting of the stockholders of the York and Maryland Line Railroad Company, held on the 4th of December, 1854, at the Calvert station, Zenas Barnum in the chair and Robert S. Hollins secretary, the same resolutions as those adopted by the York and Cumberland Company, and herein above recited, were unanimously adopted by the meeting, and, being engrossed and signed by the chairman and secretary, were directed to be delivered to the Northern Central Railway Company.

"Taken from the minutes of the York and Maryland Line Railroad Company.

ROB. S. HOLLINS,
Sec'y Y. and M. R. R. Co.

Extracts from the proceedings of the Northern Central Railway Company.

At a general meeting of the stockholders of the company, held at Calvert station (Baltimore) Monday, the 4th December, 1854, amongst other proceedings was held an election for twelve directors, when the following persons were regularly elected: John P. Kennedy,

43 Simon Cameron, William F. Packer, Eli Lewis, John Herr, Lloyd W. Rogers, John Hopkins, Michael Herr, Francis White, Robt. M. Magraw, Zenas Barnum, William E. Mayhew.

After said election the meeting of the stockholders was adjourned sine die.

At a meeting of the directors of the company, held on the 5th December, 1854, elected on the previous day, all the above directors were present except Gen'l Simon Cameron. John P. Kennedy was appointed chairman and Robt. S. Hollins secretary pro tem. Amongst other proceedings the following resolutions were adopted:

Resolved, That the chairman of this meeting inform the mayor and city council of Baltimore that the Northern Central Railway Company has been so far organized in accordance with the acts of consolidation as to have elected twelve directors to represent the stockholders, and that they purpose on Saturday, the 9th instant, at the Calvert station, at 4 o'clock p. m., to proceed to the election of a

president of the company, and to adopt such other measures for the completion of the organization as may be found necessary, also to inquire of the mayor and city council whether they have made or purpose to make an appointment of directors to represent the interests of the city of Baltimore in said company, as by the acts of
44 consolidation they are authorized to do, and to invite their early attention to that subject.

Resolved, That a similar communication be made to the board of public works, with reference to the representation of the State in the company.

The board then adjourned to meet according to first resolution on Saturday, the 9th December, 1854, at 4 o'clock p. m.

The board again, agreeably to adjournment, met on Saturday, the 9th December, 1864, at 4 p. m., when there were present the following members:

Samuel H. Tigart, Nicholas R. Nelson, on the part of the State of Maryland; William McPhail, Richard C. Mason, on the part of the city of Baltimore.

And the following on the part of the stockholders, to wit:

John P. Kennedy, John Hopkins, Robert M. Magraw, Simon Cameron, William F. Packer, Lloyd N. Rogers, William E. Mayhew, Francis White, Zenas Barnum, Eli Lewis, John Herr, Michael Herr.

Amongst the proceedings was the election by a majority of the votes of John P. Kennedy as president of the company.

ROB. S. HOLLINS, *Sec'y pro tem.*

I do hereby certify that the proceedings herein referred to
45 and set forth, to wit, the preamble and resolutions of the stockholders of the York and Cumberland Railroad at a meeting held at Calvert station, in the city of Baltimore, on the 4th day of December, 1854, are truly and accurately copied from the original engrossed record thereof.

I do also certify that the like proceedings were had by the stockholders of the Susquehanna Company at a meeting on the same day and at the same place; and also by the stockholders of the Baltimore and Susquehanna Railroad Company, and by the stockholders of the York and Maryland Line Railroad Company, in meetings respectively held by them at the same time and place, and that the extract from the minutes of each of said companies, as herein made and authenticated by the signatures of Robert S. Hollins, the secretary of said companies respectively, contains a true abstract of their proceedings in reference to the resolutions therein described.

I further certify that the extracts herein given from the proceedings of the stockholders of the Northern Central Railway Company, at their meeting on the 4th of December, in relation to the election of directors, and also the extracts given from the proceedings of the meetings of the directors on the 5th and 9th of December in relation to the election of a president, are all truly and accurately
46 stated as the same are recorded in the minutes of each of said meetings.

In testimony whereof, I have hereunto set my hand as president of said Northern Central Railway Company, and have hereunto attached the seal of said company, at the city of Baltimore, on this fourteenth day of December, in the year eighteen hundred and fifty-four.

JOHN P. KENNEDY;
President Northern Central Railway Company.

Paper A referred to in the within report:

Proceedings.

At a general meeting of the stockholders of the York and Cumberland Railroad Company, held at Calvert station, in the city of Baltimore, on Wednesday, the 19th day of July, 1854, in obedience to the call of the president and directors, "to take into consideration the questions presented by the recent acts of the legislatures of Pennsylvania and Maryland and the ordinance of the city of Baltimore for the consolidation of the several companies owning the line of the railroads from Baltimore to Sunbury."—

On motion, Lloyd N. Rogers was appointed chairman and John S. Leib secretary.

47 On motion of Hon. John P. Kennedy, the following resolutions were unanimously adopted:

Resolved, That the chairman of this meeting appoint a committee of three stockholders, which committee shall be charged with the duty of considering and reporting on the subject of consolidation authorized by the acts of the legislatures of Pennsylvania and Maryland, and the proper mode of effecting the same, if, in their judgment, it should be advisable to make such consolidation.

That said committee be also authorized to represent this company in a general conference of the committees of the companies interested in the question of consolidation, the Baltimore and Susquehanna Company and Maryland Line Company, being regarded in their appointments as one company, to appoint one committee.

That said committee be also instructed and authorized to propose to the committees of the several companies as aforesaid, and to urge upon them the appointment by each committee of one arbitrator or commissioner on behalf of each company as aforesaid and respectively, which commissioners, when appointed, shall be empowered to consider and decide upon all points of difference which may arise on the views of said committees, in regard to the plans and details of the proposed consolidation, which decision of theirs shall be reported to the said committees, and by them respectively submitted to the consideration and determination of the several companies res-
48 pectively; that said committee shall report all their proceedings, in conformity with the above resolutions, to an adjourned meeting of this company to be called by the chairman, when he may think it necessary.

On motion of John Herr, esqr., Lloyd N. Rogers was appointed

chairman of the committee, which accordingly was made to consist of Messrs. Lloyd N. Rogers, John P. Kennedy, and Frederick Watts.

On motion the meeting adjourned until called together according to the above resolution.

LLOYD N. ROGERS, *Chairman.*

JOHN S. LEIB, *Secretary.*

At an adjourned meeting of the stockholders of the York and Cumberland Railroad Company, held at the Calvert station, in the city of Baltimore, on Monday evening, the 16th of October, Lloyd N. Rogers, esq. resumed the chair. Mr. Leib, the secretary of the meeting, being absent, it was on motion, Resolved, that Mr. Geo. L. Harrison act as secretary in his place.

The meeting being organized, and the chairman having made a statement of the proceedings which had taken place in the
49 committees of conferences, apprized the meeting that a report of the committee appointed by this company would now be submitted.

Whereupon Mr. John P. Kennedy presented the following report:

Report.

The committee appointed in pursuance of the resolutions of the stockholders of the York and Cumberland Railroad Company, convened on 19th of July, for the purpose of considering the question of the consolidation of the York and Cumberland, the Baltimore and Susquehanna, and the Susquehanna Railroad companies into one company, as authorized by the acts of the legislatures of Pennsylvania and Maryland, which committee was directed to confer with the committees of the other companies interested, and with them to consider and digest a plan for said consolidation, and to report the same to the stockholders, now beg leave to report:

That at an early day after their appointment they met the committees of the other companies, and proceeded to the discharge of the duty committed to them.

That, after a full comparison of views, exhibiting many differences of opinion, and after a careful and ample discussion of the whole subject in many meetings, the committees, with almost entire
50 unanimity, (there being but one dissenting opinion,) have at length concurred on the recommendation of a plan of consolidation, which, in a spirit of mutual accommodation and concession, has been suggested by a sincere desire to harmonize the conflicting interests of the parties to this most important and valuable undertaking, and which being now presented as a compromise of opposite opinions, and calculated, in the judgment of the committee, to satisfy the reasonable demands of each company, they beg leave to commend to the favorable consideration and early adoption of the stockholders of the company they represent.

The committee do not deem it necessary to explain in this report the character of the several plans which were brought into discussion, nor to point out the differences of opinion through which they have labored towards the result now attained. It is sufficient for

them to say that they have been governed in the performance of the duty assigned to them by a frank and liberal spirit of concession, in which they have yielded all that an earnest desire to promote the consolidation could allow them to grant, and much that might equitably have been insisted upon. But, confiding in the generous zeal which the stockholders of the York and Cumberland have manifested from the first towards the accomplishment of an enterprise
51 of such grave moment to the city of Baltimore, they have not hesitated to give up much that they felt themselves entitled to claim, and to throw into the common fund of the consolidated company valuable interests which belong to the company they represent. And having thus arrived at what they trust will prove a harmonious conclusion, they respectfully submit it to the approbation of those who committed this subject to their hands.

The plan agreed upon will be found in the following propositions:

1. The capital of the consolidated company, to be known by the name of the Northern Central Railway Company, shall, in the commencement, and until it may be thought necessary hereafter to change the same, under the authority given by the acts of incorporation, be established at the amount which may, on computation, be found necessary to make the distribution of stock hereinafter provided for.

2. The stock shall be estimated at the par value of fifty dollars per share.

3. That the Baltimore and Susquehanna Company, including the York and Maryland Line Company, the York and Cumberland Company, and the Susquehanna Company, shall each and severally transfer and convey by proper deeds all their property, estate, and effects of every kind and description, in such manner as they are author-
52 ized or required to do by the acts of the legislatures of Pennsylvania and Maryland relating to the consolidation, to the Northern Central Railway Company, to be held in absolute property by said company, according to the provisions and conditions of the said acts authorizing the consolidation.

4. That, in consideration of such transfers and conveyances respectively, the Northern Central Railway Company shall, as soon as convenient thereafter, issue and deliver to the Baltimore and Susquehanna Company ten thousand (10,000) shares of stock for the use and benefit of the private stockholders thereof, to be rateably divided among said stockholders according to the respective amounts or numbers of shares of stock held by them respectively in the said company at the date of the deed of transfer hereinabove required to be given by the said Baltimore and Susquehanna Company to the Northern Central Railway Company. That the said Northern Central Railway Company shall, in like manner, issue and deliver to the said Baltimore and Susquehanna Company four thousand shares of stock for the use and benefit of the State of Maryland, and also a like number of four thousand shares of stock for the use and benefit of the city of Baltimore; the said several allotments of stock to the stockholders of the Baltimore and Susquehanna
53 company being to be delivered in lieu of the stock held by

them in said company at the date of the deeds of transfer aforesaid, which stock of the Baltimore and Susquehanna Company so held by the said several stockholders shall thereupon be deemed to be cancelled, and shall be delivered up to the Northern Central Railway Company. The distribution herein above mentioned of ten thousand shares of the stock of the Northern Central Railway Company to the private stockholders of the Baltimore and Susquehanna Company it is understood (and such is the intent of this article) shall be subject to such abatement as may be found to be necessary to provide for any portion of the five thousand shares ordinarily represented as the amount held by the private stockholders in said company, which may have been deducted from that stock and become the property of the said Baltimore and Susquehanna Company itself; the design or purpose of this distribution being (and the same is hereby so declared) to issue and deliver to every stockholder, public and private, holding the present amount of nine thousand shares in the Baltimore and Susquehanna Company, including the State of Maryland and the city of Baltimore, two shares in the Northern Central Railway Company for each one share held by said stockholders in the Baltimore and Susquehanna Company.

54 5. That also, in consideration of such transfers and conveyances respectively, the Northern Central Railway Company shall, in like manner, issue and deliver to the York and Cumberland Railroad Company twenty-seven thousand two hundred (27,200) shares of stock for the use and benefit of the stockholders of said company, to be rateably divided amongst them according to the respective amounts of the stock of the York and Cumberland Company held by them respectively at the date of the said deed of transfer herein above required to be given by said company; the said issue and delivery of the said twenty-seven thousand shares to be in lieu of the stock of the said stockholders in the said York and Cumberland Company, which said stock is to be cancelled and delivered up, as is hereinabove provided in the case of the Baltimore and Susquehanna Company.

6. That in consideration of the issue and delivery of the said twenty-seven thousand two hundred shares of stock to the York and Cumberland Company, the said York and Cumberland Company shall be deemed (and they do hereby so declare it) to have forever relinquished and surrendered to the Northern Central Railway Company all claim or right to any interest or property in the grant heretofore made to said company by the city of Baltimore, by the ordinance of the city entitled "An ordinance to provide for carrying into effect an

55 act of the general assembly of Maryland," &c., passed April 3, 1848, chapter 42, by which ordinance the city of Baltimore granted for fifteen years all the interest which the city held in nine hundred and fifty thousand dollars of debt and stock in the Baltimore and Susquehanna Railroad Company.

7. The Northern Central Railway Company shall, in like manner as in the case of the other companies, upon the execution of the transfer and conveyances above-mentioned, issue and deliver to the bona fide

and actual stockholders of the Susquehanna Company, who have paid up to the full par value of the stock subscribed by them in said company, and upon their production of the certificates of the said stock, two shares of the stock of the Northern Central Railway Company for each one share of stock in the Susquehanna Company held and paid for by them as aforesaid. The said issue of stock to be in lieu of that held by them in the Susquehanna Company, which shall be delivered up and cancelled, provided that the said Northern Central Railway Company shall be authorized to adjust and settle the claims of the contractors with said company, who, by virtue of their contracts, are entitled to stock in the same, either the by issue of stock to said contractors in the proportion above described, or, if the
56 said contractors, or any of them, prefer it, to settle the said claims respectively by giving the bonds of the company for the amounts due, on such terms and conditions as the said company and the said contractors may adjust and determine between themselves. And the said company shall also settle with the said contractors for all other claims which may be justly due to them for any moneys expended by them in land, damages, or liabilities incurred by them for the same, which settlement shall be made in such manner as the said company and the said contractors shall agree upon as satisfactory and equitable to each.

8. The Northern Central Railway Company shall, in consideration of the transfers and conveyances aforesaid, and in consideration of the performance of the several stipulations contained in these articles and required to be performed by the several companies above mentioned, assume upon itself all the debts, obligations, and liabilities of the several companies composing the consolidated company, including the debts of $850,000 of the Baltimore and Susquehanna Company to the mayor and city council of Baltimore, and interest on the same, or so much of said interest as the said mayor and city council may be entitled to, in accordance with the terms and conditions mentioned and presented in the acts of the legislatures of Pennsylvania and Maryland authorizing the consolidation.

57 9. Each company shall appoint one member of a joint committee of the three companies, who shall, by advice of counsel, procure this agreement of consolidation to be embodied in a proper legal instrument of writing for a formal binding contract between the several parties to the same, which instrument of writing shall be signed by the president and secretary of each company, and sealed with the corporate seal of each. And the said committee shall also procure the necessary deeds for each company to be prepared, which deeds shall be duly executed by the proper officers of each company, and the said contract shall be delivered to the Northern Central Railway Company, as soon as the same shall be organized, to be recorded in the proper places of record.

10. That this agreement for the consolidation shall go into effect and operation on the 4th day of December next, upon which day, at 12 o'clock, the stockholders of the several companies shall meet at the Calvert station, in Baltimore city, to organize the Northern Cen-

tral Railway Company, by the election of a board of directors, in accordance with the acts of consolidation and by such other proceedings as may be necessary. And a full report of the proceedings of the several companies, and of the terms and conditions of the con-
58 solidation, shall be made, and shall be signed by the president of the company, to be reported and recorded in such manner as the company may direct and the acts of consolidation require.

LLOYD N. ROGERS,
FREDERICK K. WATTS,
JOHN P. KENNEDY,
Committee.

The question being taken on the above report and resolutions, they were unanimously agreed to and adopted. Which report being read and considered, the following resolutions were offered by Mr. Geo. W. Krebs, and were unanimously adopted:

Resolved, That the York and Cumberland Company agree to accept and adopt the plan for the consolidation of the companies owning the road from Baltimore to Sunbury on the terms and conditions reported by the committee heretofore appointed to confer on that subject.

Resolved, That, in conformity with the propositions reported by the committee, the president of this meeting appoint one member of the joint committee proposed by the ninth article of the plan reported, to act with the other members of said committee when these terms and conditions of consolidation shall be agreed upon by all the parties interested.

Resolved, That a committee of three be appointed by the chair to communicate to the Baltimore and Susquehanna Company, at their meeting on Thursday next, the proceedings of this meeting,
59 and to request their concurrence in the same.

The chair appointed Messrs. Magraw, Hugh, and Vicker son this resolution.

On motion the meeting was adjourned to be called together, if necessary, at any time hereafter by the chairman of this meeting.

LLOYD N. ROGERS, *Chairman.*

GEO. L. HARRISON, *Secretary pro tem.*

Appendix.

OFFICE BALTIMORE AND SUSQUEHANNA R. R. CO.,
Baltimore, October 16, 1864.

At an adjourned meeting of the Baltimore and Susquehanna Railroad Company, held this day, the following report from the Susquehanna Railroad Company was received and read:

At an adjourned meeting of the stockholders of the Susquehanna Railroad Company, held at Calvert station, Friday, the 13th October, 1854, to receive the report from the committee, the following proceedings were had:

Mr. Zenas Barnum, from the committee, made a verbal report, and submitted the following:

BALTIMORE, *October 9th*, 1854.

We propose that the Baltimore and Susquehanna, York and Cumberland, and Susquehanna Railroad Companies consolidate as follows:

The Baltimore and Susquehanna Railroad Co. to have, for $250,000 in consolidation	$500,000
60 The York and Cumberland Railroad Company to have, for $530,000	1,060,000
The York and Cumberland Railroad Company to have, for the 9 years interest in city stock	300,000
	1,860,000

The contractors of the Susquehanna Railroad Company to have the bonds of the Northern Central Railroad Company for the amount due them, and all other claims to be settled by said company.

ZENAS BARNUM.
SIMON CAMERON.

We agree to the proposition, if assented to by the Baltimore and Susquehanna Railroad Company.

JOHN P. KENNEDY,
LLOYD N. ROGERS,
Majority of Committee.

We agree, on behalf of the Baltimore and Susquehanna Railroad Company, to the above plan of consolidation.

COLEMAN YELLOTT,
JAMES FRAZIER,
Majority of Committee.

On motion, it was resolved unanimously that this company agree to accept the proposition reported by the committee setting forth the basis for the consolidation of the several companies.

On motion the following preamble and resolution were unanimously adopted:

61 Whereas it is important, in case the plan of consolidation as reported by the committee, and adopted by this company, should fail, that early measures be taken to complete the work on the Susquehanna railroad, therefore,

Resolved, That the chairman of this meeting appoint a committee of three, who shall be an executive committee, to concur with the York and Cumberland Company in adopting all necessary and proper measures for the early and effectual prosecution of the work upon the Susquehanna railroad, and the completion of the same.

ROB'T S. HOLLINS, *Sec'ry.*

THURSDAY, *October 19th*, 1854.

At an adjourned meeting of the stockholders of the Baltimore and Susquehanna Railroad Company, held at Calvert station, the State and city being represented, the preceding report was unanimously adopted.

JAMES FRAZIER, *Chairman.*

JAMES WILSON, *Secretary.*

OFFICE OF THE SECRETARY OF THE COMMONWEALTH,
Harrisburg, February 16, *A. D.* 1865.

PENNSYLVANIA. *ss:*

I do hereby certify that the foregoing and annexed is a full, true, and correct copy of the original report of John P. Kennedy,
62 president of the Northern Central Railway Company, to his excellency the governor of Pennsylvania, dated December 14th, A. D. eighteen hundred and fifty-four, as the same remains on file in this office.

In testimony whereof, I have hereunto set my hand and caused the seal of the secretary's office to be affixed the day and year above written.

[SEAL.] W. H. ARMSTRONG,
Deputy Secretary of the Commonwealth.

PENNSYLVANIA, *ss:* A. G. CURTIN:

In the name and by the authority of the Commonwealth of Pennsylvania, Andrew G. Curtin, governor of the said commonwealth, to all to whom these presents shall come, sends greeting:

Know ye, that the attestation or certificate hereunto annexed is in due form and by the proper officer, and that W. H. Armstrong, whose name is subscribed thereto, was at the time of subscribing the same, and now is, deputy secretary of the commonwealth, duly commissioned and appointed, and full faith and credit ought to be given to his official acts accordingly.

Given under my hand and the great seal of the State, at Harrisburg, this eighteenth day of February, in the year of our Lord one thousand eight hundred and sixty-five, and of the commonwealth the eighty-ninth.

63 By the governor: ELI SLIFER,
Secretary of the Commonwealth.

To his excellency the governor of the State of Maryland:

SIR: By the 2d section of the act of the general assembly of the State of Maryland, passed at January session, 1854, chapter 250, entitled "An act to authorize the consolidation of the Baltimore and Susquehanna Railroad Company with the York and Maryland Line Railroad Company, the York and Cumberland Railroad Company, and the Susquehanna Railroad Company, by the name of the Northern Central Railway Company, it is enacted that this act shall take effect whenever and as soon as the said parties herein before referred to shall have agreed to consolidate their several companies into one, and shall have settled, determined, and agreed upon the terms and conditions of such consolidation, in conformity with the provisions of this act, and shall make a full record and report thereof, certified by the president of said consolidated company, and have transmitted the same to the governor of Maryland."

I have the honor to inform you that upon a recent organiza-
64 tion of the Northern Central Railway Company, made in pur-

suance of this act and of an act passed by the general assembly of Pennsylvania touching the consolidation of the said companies, I have been duly elected president of said company.

It has therefore become my duty, in accordance with the clause above recited from the act of the general assembly of the State of Maryland, to transmit to your excellency the record and report of the proceedings of the several companies referred to in the said act, by which they have agreed to the consolidation, and determined the terms and conditions upon which it was to be made.

This record and report will be found to be embodied in the proceedings adopted by the several companies at special adjourned meetings held by them respectively on the 4th of this present month of December, an authenticated copy of which accompanies this communication.

In connexion with these proceedings is an authenticated copy of the further action of the stockholders of the several companies assembled in joint meeting for the purpose of organizing the Northern Central Railway Company, by which your excellency will be informed that on the 4th of December a board of twelve directors was duly elected by the stockholders. A further report of the meetings of directors in the same series of proceedings will show that the board
65 was completed in number according to law, by the appointment of two directors on the part of the State of Maryland and two on the part of the city of Baltimore, and that the board thus organized proceeded on the 9th of this present month of December to elect a president, at which election I had the honor to receive the majority of votes, upon which I accepted the office and entered upon its duties.

Accompanying the other papers belonging to this report, I have also transmitted an original of the articles of union which were duly executed in triplicate by the president and secretary of each company, in conformity with the directions of the stockholders of the several companies.

I have also the honor to inform your excellency that the several companies have duly executed the deeds for the surrender of their property to the Northern Central Railway Company, in conformity with the articles of union and the direction of the stockholders, which deeds are now ready to be put on record, and are ordered to be deposited in the proper offices for that purpose.

On the adoption of these proceedings, your excellency will find that the Northern Central Railway is fully organized so far as the acts of incorporation have required, and is about to enter upon the high duties committed to it.

I have the honor to be, with the highest consideration, your ob't serv't.

JOHN P. KENNEDY,
66 *President of the Northern Central Railway Co.*

OFFICE NORTHERN CENTRAL RAILWAY CO.,
Baltimore, December 14th, 1854.

Whereas the legislatures of Pennsylvania and Maryland have respectively passed laws to authorize the consolidation of the Baltimore and Susquehanna Railroad Company, the York and Maryland Line Railroad Company, the York and Cumberland Railroad Company, and the Susquehanna Railroad Company, into one company, or body politic, by the name of the Northern Central Railway Company, the stockholders of the said several companies did thereupon, in the month of July last, respectively assemble, upon due notice of the objects contemplated by such meetings being given in the public papers, for the purpose of considering the said acts of consolidation, and the said companies, at their respective meetings as aforesaid, did thereupon appoint committees to confer together on the proposed consolidation, with directions to report to the said companies respectively the terms and conditions upon which the proposed consolidation might or should be made in conformity with the said acts:

And whereas, after sundry conferences of said committees, they did severally report to their respective companies, at adjourned
67 meetings of the stockholders of the same, to wit, to a meeting of the stockholders of the Susquehanna Railroad Company held on the 13th of October, 1854, to a meeting of the York and Cumberland Railroad Company held on the 16th of October, and to a meeting of the Baltimore and Susquehanna and York and Maryland Line Railroad Companies held on the 19th day of October, in the same year, a recommendation to consolidate the said companies on the terms and conditions herein set forth, and contained in the paper hereunto annexed, marked A, which terms and conditions were duly considered by said companies respectively.

And the said companies respectively did thereupon assent to and accept the said acts of consolidation herein above referred to, passed by the legislatures of Maryland and Pennsylvania, and did thereupon also, severally and respectively, by the unanimous vote of the stockholders of each of said companies, agree to and adopt the said terms and conditions for the consolidation of the said companies, as the same were reported by the said committees, and did order and direct the same to be embodied and transcribed in legal binding form, to be authenticated and executed by the president and secretary of each company, in conformity with the 9th article of the said terms and conditions so reported as aforesaid, and the said companies respectively did also direct, in accordance with said terms and conditions,
68 holding themselves bound by the same from the date of their adoption as aforesaid, that a meeting of the stockholders of each of the said companies respectively should be held, by adjournment, at Calvert station, in the city of Baltimore, on Monday, the 4th day of December, 1854, at 12 o'clock, for the purpose of uniting in a general meeting to organize the proposed consolidated company, by the name of the Northern Central Railway Company, in accordance with the acts of consolidation aforesaid, and of the terms and conditions adopted by them respectively:

And whereas the stockholders of the York and Cumberland Railroad Company having now assembled on this 4th day of December, in pursuance of the above direction and appointment, to unite in the said general meeting of stockholders, find it necessary and proper, before entering into the said general meeting, to ratify and confirm all the proceedings heretofore had by them in relation to the said consolidation, and to adopt some resolutions for the purpose of better carrying out and promoting the same ; to which end the said stockholders have convened in special meeting, and thereupon do resolve that the special meeting be organized by the appointment of John Herr as chairman and John S. Lieb as secretary, and this being done it is further resolved that the stockholders of the York and
69 Cumberland Railroad Company do hereby ratify and confirm all the proceedings heretofore had by them, and above recited in the preamble of these resolutions, declaring, first, their acceptance of, and consent to the acts of Maryland and Pennsylvania relating to the consolidation; and, second, their adoption of and agreement to the terms and conditions as reported by the committees as herein above set forth.

Resolved, That the said terms and conditions, being now embodied and reported to this meeting as articles of union, in legal and binding form, the same having now been read to this meeting, it is hereby ordered and directed that the same be formally and duly executed this day as the act of this company, by affixing thereto the seal of this company, and by the signing thereof by the president and secretary ; and it is further ordered that the same be executed in triplicate, and be delivered to the proper officer of the Northern Central Railway Company, so soon as the same shall be organized. Further—

Resolved, That the president and secretary of this company be authorized and empowered to execute the proper and requisite deed, to be attested by their respective signatures and by the seal of this company, for the conveyance to the Northern Central Railway Company of all the property and effects of this company, in pursuance of the articles of union or terms and conditions of consolida-
70 tion as herein above described, and that the said president and secretary be authorized and directed to deliver said deed, when duly executed, to the Northern Central Railway Company, in accordance with the said articles of union.

Resolved, That a record of these proceedings be accurately engrossed and be signed by the chairman and secretary of this meeting, and that the same be delivered to the Northern Central Railway Company.

(Signed) JOHN KERR, *Chairman.*

JOHN S. LEIB, *Secretary.*

At a special adjourned meeting of the stockholders of the Susquehanna Railroad Company, held on the 4th of December, 1854, at the Calvert station, Gen'l Simon Cameron in the chair and John B. Proctor secretary, the same resolutions as those adopted by the York and

Cumberland company, and herein above recited, were unanimously adopted by the meeting, and, being engrossed and signed by the chairman and secretary, were directed to be delivered to the Northern Central Railway Company.

Taken from the minutes of the Susquehanna Railroad Company.

ROB'T S. HOLLINS,
Sec'ry S. R. R. Co.

At a special adjourned meeting of the stockholders of the Balti-
71 more and Susquehanna Railroad Company, held on the 4th December, 1854, at the Calvert station, Capt. James Frazier in the chair and James Wilson secretary, the same resolutions as those adopted by the York and Cumberland company, and herein above recited, were unanimously adopted by the meeting ; and, being engrossed and signed by the chairman and secretary, were directed to be delivered to the Northern Central Railway Company.

Taken from the minutes of the Baltimore and Susquehanna Railroad Company.

ROB'T S. HOLLINS,
Sec'ry S. & B. R. R. Co.

At a special adjourned meeting of the stockholders of the York and Maryland Line Railroad Company, held on the 4th December, 1854, at the Calvert station, Zenos Barnum in the chair and Robert L. Hollins secretary, the same resolutions as those adopted by the York and Cumberland company, and herein above recited, were unanimously adopted by the meeting; and, being engrossed and signed by the chairman and secretary, were directed to be delivered to the Northern Central Railway Company.

Taken from the minutes of the York and Maryland Line Railroad Company.

ROB'T S. HOLLINS,
Sec'y Y. & M. R. R. Co.

Extracts from the proceedings of the Northern Central Railway
72 *Company.*

At a general meeting of the stockholders of the company, held at Calvert station, (Baltimore,) Monday, the 4th December, 1854, amongst other proceedings there was held an election for twelve directors, when the following persons were regularly elected : John P. Kennedy, Simon Cameron, William F. Packer, Eli Lewis, John Herr, Lloyd N. Rogers, John Hopkins, Michael Herr, Francis White, Robert M. Magraw, Zenus Barnum, William E. Mayhew.

After said election the meeting of stockholders was adjourned sine die.

At a meeting of the directors of the company held on the 5th December, 1854, elected on the previous day, all the above directors were present, except Gen'l Simon Cameron. John P. Kennedy was appointed chairman, and Robert S. Hollins secretary pro tem. Among other proceedings the following resolutions were adopted :

Resolved, That the chiarman of this meeting inform the mayor and

city council of Baltimore that the Northern Central Railway Company has been so far organized, in accordance with the act of consolidation, as to have elected twelve directors to represent the stockholders, and that they purpose, on Saturday, the 9th inst., at the Calvert station, at 4 o'clock p. m., to proceed to the election of a president of the company, and to adopt such other measures
73 for the completion of the organization as may be found necessary; also, to inquire of the mayor and city council whether they have made or purpose to make an appointment of directors to represent the interest of the city of Baltimore in said company, as by the acts of consolidation they are authorized to do, and to invite their early attention to that subject.

Resolved, That a similar communication be made to the board of public works with reference to the representation of the State in the company.

The board then adjourned, to meet, according to first resolution, on Saturday, the 9th December, 1854, at 4 o'clock p. m.

The board again, agreeably to adjournment, met on Saturday, the 9th December, 1854, at 4 p. m., when there were present the following members: Samuel H. Tagart, Nicholas R. Wilson, on the part of the State of Maryland; Wm. McPhail, Richard C. Mason on the part of the city of Baltimore. And the following on the part of the stockholders, to wit: John P. Kennedy, William F. Packer, Zenus Barnum, John S. Hopkins, Lloyd W. Rogers, Eli Lewis, Rob't M. Magraw, Wm. E. Mayhew, John Herr, Simon Cameron, Francis White, Michael Herr.

Amongst the proceedings was the election by a majority
74 of the votes of John P. Kennedy as president of the company.

ROB'T S. HOLLINS, *Sec'y pro tem.*

I do hereby certify that the proceedings herein referred to and set forth, to wit, the preamble and resolutions of the stockholders of the York and Cumberland railroad, at a meeting held at Calvert station, in the city of Baltimore, on the 4th day of December, 1854, are truly and accurately copied from the original engrossed record thereof.

I do also certify that the like proceedings were had by the stockholders of the Susquehanna company, at a meeting on the same day and at the same place, and also by the stockholders of the Baltimore and Susquehanna Railroad Company, and by the stockholders of the York and Maryland Line Railroad Company, in meetings respectively held by them at the same time and place, and that the extracts from the minutes of each of said companies, as herein made and authenticated by the signature of Robert S. Hollins, the secretary of said companies respectively, contain a true abstract of their proceedings in reference to the resolutions therein described.

I further certify that the extracts herein given from the proceedings of the stockholders of the Northern Central Railway Company, at their meeting on the 4th of December, in relation to the election of direc-

tors, and also the extracts given from the proceedings of the
75 meetings of the directors on the 5th and 9th of December, in relation to the election of a president, and all truly and accurately stated, as the same are recorded in the minutes of each of said meetings.

In testimony whereof, I have hereunto set my hand as president of said Northern Central Railway Company, and have hereunto attached the seal of said company, at the city of Baltimore, on this fourteenth day of December, in the year eighteen hundred and fifty four.

[SEAL.] JOHN P. KENNEDY,
President Northern Central Railway Company.

Paper A referred to in the within report.

JOHN P. KENNEDY.

Proceedings of the York and Cumberland Railroad Company.

In pursuance of the acts of Maryland and Pennsylvania authorizing the consolidation of the several R. R. companies owning the roads from Baltimore to Sunbury, and the report of the plan of consolidation, with the terms and conditions eventually agreed upon and adopted by the said companies.

Baltimore: Printed by Jas. Lucas & Son, steam press, corner of Calvert street and Lovely Lane. 1854.

76 *Proceedings.*

At a general meeting of the stockholders of the York and Cumberland Railroad Company, held at Calvert station, in the city of Baltimore, on Wednesday, the 19th day of July, 1854, in obedience to the call of the president and directors, "to take into consideration the questions presented by the recent acts of legislatures of Pennsylvania and Maryland, and the ordinance of the city of Baltimore, for the consolidation of the several companies owning the line of railroads from Baltimore to Sunbury:"

On motion, Lloyd W. Rogers, esq., was appointed chairman, and John S. Leib security.

On motion of Hon. John P. Kennedy, the following resolutions were unanimously adopted:

Resolved, That the chairman of this meeting appoint a committee of three stockholders, which committee shall be charged with the duty of considering and reporting on the subject of consolidation authorized by the acts of the legislatures of Pennsylvania and Maryland, and the proper mode of effecting the same, if in their judgment it should be advisable to make such consolidation.

That said committee be also authorized to represent this company in a general conference of the committees of the companies interested in the question of consolidation. The Baltimore and Susquehanna
Company and Maryland Line Company, being regarded in their
77 appointments as one company, to appoint one committee.

That said committee be also instructed and authorized to propose to the committees of the several companies as aforesaid, and

to urge upon them the appointment by each committee of one arbitrator or commissioner on behalf of each company as aforesaid, and respectively, which commissioners, when appointed, shall be empowered to consider and decide upon all points of difference which may arise in the views of said committees in regard to the plan and details of the proposed consolidation, which decision of theirs shall be reported to the said committees, and be by them respectively submitted to the consideration and determination of the several companies respectively.

That said committee shall report all their proceedings, in conformity with the above resolutions, to an adjourned meeting of this company, to be called by the chairman when he may think it necessary.

On motion of John Herr, esq., Lloyd W. Rogers was appointed chairman of the committee, which accordingly was made to consist of Messrs. Lloyd W. Rogers, John P. Kennedy, and Frederick Watts.

On motion, the meeting adjourned until called together according to the above resolution.

78 LLOYD W. ROGERS, *Chairman.*

JOHN S. LEIB, *Secretary.*

At an adjourned meeting of the stockholders of the York and Cumberland Railroad Company, held at the Calvert station, in the city of Baltimore, on Monday evening, the 16th of October, Lloyd W. Rogers, esq., resumed the chair.

Mr. Leib, the secretary of the meeting, being absent, it was, on motion, resolved that Mr. George L. Harrison act as secretary in his place. The meeting being organized, and the chairman having made a statement of the proceedings which had taken place in the committees of conference, apprized the meeting that a report of the committee appointed by this company would now be submitted.

Whereupon Mr. John P. Kennedy presented the following report:

Report.

The committee appointed in pursuance of the resolutions of the stockholders of the York and Cumberland Railroad Company convened on 19 of July, for the purpose of considering the question of the consolidation of the York and Cumberland, the Baltimore and Susquehanna Railroad Companies into the company, as authorized by the acts of the legislatures of Pennsylvania and Maryland, which committee was directed to confer with the committees of the other

79 companies interested, and with them to consider and digest a plan for said consolidation, and to report the same to the stockholders, now beg leave to report.

That at an early day after their appointment they met the committees of the other companies, and proceeded to the discharge of the duty committed to them.

That after a full comparison of views, exhibiting many differences of opinion, and after a careful and ample discussion of the whole subject in many meetings, the committees, with almost entire unanimity, (there being but one dissenting opinion,) have at length concurred in

the recommendation of a plan of consolidation which, in a spirit of mutual accommodation and concession, has been suggested by a sincere desire to harmonize the conflicting interests of the parties of this most important and valuable undertaking, and which being now presented as a compromise of opposite opinions, and calculated, in the judgment of the committee, to satisfy the reasonable demands of each company, they beg leave to commend to the favorable consideration and early adoption of the stockholders of the company they represent. The committee do not deem it necessary to explain in this report the character of the several plans which were brought into discussion, nor to point out the differences of opinion through which they have labored towards the result now claimed. It is sufficient for
80 them to say that they have been governed in the performance of the duty assigned to them by a frank and liberal spirit of concession, in which they have yielded all that an earnest desire to promote the consolidation could allow them to grant, and much that might equitably have been insisted upon. But, confiding in the generous zeal which the stockholders of the York and Cumberland company have manifested from the first towards the accomplishment of an enterprise of such grave moment to the city of Baltimore, they have not hesitated to give up much that they felt themselves entitled to claim, and to throw into the common fund of the consolidated company valuable interests which belong to the company they represent. And, having thus arrived at what they trust will prove a harmonious conclusion, they respectfully submit it to the approbation of those who committed this subject to their hands.

The plan agreed upon will be found embodied in the following propositions:

1st. The capital of the consolidated company, to be known by the name of the Northern Central Railway Company, shall, in the commencement, and until it may be thought necessary hereafter to change the same under the authority given by the acts of consolidation, be established at the amount which may, on computation, be found necessary to make the distribution of stock hereinafter provided for.

2d. The stock shall be estimated at the par value of fifty dollars
81 per share.

3d. That the Baltimore and Susquehanna Company, including the York and Maryland Line Company, the York and Cumberland Company, and the Susquehanna Company, shall each and severally transfer and convey, by proper deed, all their property, estate, and effects of every kind and description, in such manner as they are authorized or required to do by the acts of the legislatures of Pennsylvania and Maryland relating to the consolidation, to the Northern Central Railway Company, to be held in absolute property by said company, according to the provisions and conditions of the said acts authorizing the consolidation.

4th. That, in consideration of such transfers and conveyances respectively, the Northern Central Railway Company shall, as soon as convenient thereafter, issue and deliver to the Baltimore and Susque-

hanna Company ten thousand (10,000) shares of stock, for the use and benefit of the private stockholders thereof, to be ratably divided among said stockholders, according to the respective amounts or numbers of shares of stock held by them respectively in the said company, at the date of the deed of transfer hereinabove required to be given by the said Baltimore and Susquehanna Company to the Northern Central Railway Company.

That the said Northern Central Railway Company shall, in
82 like manner, issue and deliver to the said Baltimore and Susquehanna Company four thousand shares of stock, for the use and benefit of the State of Maryland, and also a like number of four thousand shares of stock, for the use and benefit of the city of Baltimore.

The said several allotments of stock to the stockholders of the Baltimore and Susquehanna Company being to be delivered in lieu of the stock held by them in said company, at the date of the deed of transfer aforesaid, which stock of the Baltimore and Susquehanna Company, so held by the said several stockholders, shall thereupon be deemed to be cancelled, and shall be delivered up to the Northern Central Railway Company.

The distribution hereinabove mentioned of ten thousand shares of the stock of the Northern Central Railway Company to the private stockholders of the Baltimore and Susquehanna Company, it is understood (and such is the intent of the article) shall be subject to such abatement as may be found to be necessary to provide for any portion of the five thousand shares ordinarily represented as the amount held by the private stockholders in said company, which may have been deducted from that stock and become the property of the said Baltimore and Susquehanna Company itself, the design and purpose of this distribution being (and the same is hereby so declared) to issue and deliver to every stockholder, public and private, holding the present amount of nine thousand shares in the Baltimore and Susquehanna Company, including the State of Maryland and
83 the city of Baltimore, two shares in the Northern Central Railway Company, for each one share held by said stockholders in the Baltimore and Susquehanna Company.

5th. That also, in consideration of such transfers and conveyances respectively, the Northern Central Railway Company shall in like manner issue and deliver to the York and Cumberland Railroad Company twenty-seven thousand two hundred (27,200) shares of stock, for the use and benefit of the stockholders of said company, to be ratably divided among them, according to the respective amounts of the stock of the York and Cumberland Company held by them respectively, at the date of the said deed of transfer hereinabove required to be given by said company. The said issue and delivery of the said twenty-seven thousand two hundred shares to be in lieu of the stock of the said stockholders in the said York and Cumberland Company, which said stock is to be cancelled and delivered up, as is hereinabove provided in the case of the Baltimore and Susquehanna Company.

6th. That, in consideration of the issue and delivery of the said twenty-seven thousand two hundred shares of stock to the York and Cumberland Company, the said York and Cumberland Company shall be deemed (and they do hereby so declare it) to have forever relinquished and surrendered to the Northern Central Rail-
84 way Company all claim or right to any interest or property in the grant heretofore made to said company by the city of Baltimore, by the ordinance of the city entitled an ordinance to provide for carrying into effect an act of the general assembly of Maryland, &c., passed April 3, 1848, Chapter 42, by which ordinance the city of Baltimore granted for fifteen years all the interest which the city held in nine hundred and fifty thousand dollars of debt and stock in the Baltimore and Susquehanna Railroad Company.

7. The Northern Central Railway Company shall, in like manner as in the case of the other companies, upon the execution of the transfer and conveyances above mentioned, issue and deliver to the bona fide and actual stockholders of the Susquehanna company who have paid up the full par value of the stock subscribed by them in said company, and upon their production of the certificates of the said stock, two shares of the stock of the Northern Central Railway Company for each one share of stock in the Susquehanna company, held and paid for by them as aforesaid, the said issue of stock to be in lieu of that held by them in the Susquehanna company, which shall be delivered up and cancelled. Provided, that the said Northern Central Railway Company shall be authorized to adjust and settle the claims of the contractors with said company who, by virtue of their contracts, are entitled to stock in the same, either by the issue
85 of stock to said contractors in the proportion above described (or if the said contractors or any of them prefer it) to settle the said claims respectively, by giving the bonds of the company for the amounts due, on such terms and conditions as the said company and the said contractors may adjust and determine between themselves. And the said company shall also settle with the said contractors for all other claims which may be justly due to them for any moneys expended by them, inland damages, or liabilities incurred by them for the same, which settlement shall be made in such manner as the said company and the said contractors shall agree upon as satisfactory and equitable to each.

8. The Northern Central Railway Company shall, in consideration of the transfers and conveyances aforesaid, and in consideration of the performance of the several stipulations contained in these articles, and required to be performed by the several companies above mentioned, assume upon itself all the debts, obligations, and liabilities of the several companies composing the consolidated company, including the debt of $850,000 of the Baltimore and Susquehanna Company to the mayor and city council of Baltimore, and interest on the same, or so much of said interest as the mayor and city council may be entitled to in accordance with the terms and conditions mentioned
86 and prescribed in the acts of the legislatures of Pennsylvania and Maryland authorizing the consolidation.

9. Each company shall appoint one member of a joint committee of the three companies, who shall, by advise of counsel, procure this agreement of consolidation to be embodied in a proper legal instrument of writing, for a formal binding contract between the several parties to the same, which instrument of writing shall be signed by the president and secretary of each company, and sealed with the corporate seal of each. And the said committee shall also procure the necessary deeds for each company to be prepared, which deeds shall be duly executed by the proper officers of each company, and the said contract and the said deeds, when so signed and executed, shall be delivered to the Northern Central Railway Company, as soon as the same shall be organized, to be recorded in the proper places of record.

10. That this agreement for the consolidation shall go into effect and operation on the 4th day of December next, upon which day, at 12 o'clock, the stockholders of the several companies shall meet at the Calvert station, in Baltimore city, to organize the Northern Central Railway Company, by the election of a board of directors, in accordance with the acts of consolidation, and by such other proceedings as may be necessary. And a full report of the proceedings of the several companies, and of the terms and conditions of
87 the consolidation, shall be made, and shall be signed by the president of the company, to be reported and recorded in such manner as the company may direct and the acts of consolidation require.

LLOYD W. ROGERS,
FREDERICK K. WATTS,
JOHN P. KENNEDY,
Committee.

The question being taken on the above report and resolutions, they were unanimously agreed to and adopted.

Which report being read and considered, the following resolutions were offered by Mr. George W. Krebs, and were unanimously adopted:

Resolved, That the York and Cumberland Company agree to accept and adopt the plan for the consolidation of the companies owning the road from Baltimore to Sunbury, on the terms and conditions reported by the committee heretofore appointed to confer on that subject.

Resolved, That, in conformity with the propositions reported by the committee, the president of this meeting appoint one member of the joint committee, proposed by the ninth article of the plan reported, to act with the other members of said committee, when these terms and conditions of consolidation shall be agreed upon by all the parties interested.

88 *Resolved*, That a committee of three be appointed by the chair to communicate to the Baltimore and Susquehanna Company, at their meeting on Thursday next, the proceedings of thi-meeting, and to request their concurrence in the same.

The chair appointed Messrs. Magraw, Hough, and Vickers on this resolution.

On motion the meeting was adjourned to be called together, if necessary, at any time hereafter by the chairman of this meeting.

LLOYD N. ROGERS, *Chairman.*

GEORGE L. HARRISON, *Sec'y pro tem.*

Appendix.

OFFICE BALTIMORE AND SUSQUEHANNA R. R. CO.
Baltimore, October 16, 1854.

At an adjourned meeting of the Baltimore and Susquehanna Railroad Company, held this day, the following report from the Susquehanna Railroad Company was received and read:

At an adjourned meeting of the stockholders of the Susquehanna Railroad Company held at Calvert station, Friday, the 13th October, 1854, to receive the report from the committee, the following proceedings were had:

89 Mr. Zenas Barnum, from the committee, made a verbal report, and submitted the following:

BALTIMORE, *October* 9, 1854.

We propose that the Baltimore and Susquehanna, York and Cumberland, and Susquehanna Railroad Companies, consolidate as follows:

The Baltimore and Susquehanna Railroad Co. to have for $250,000 in consolidation	$500,000
The York and Cumberland Railroad Co. to have for $530,000	1,060,000
The York and Cumberland Railroad Co. to have for the 9 y'rs int. in city stock	300,000
	1,860,000

The contractors of the Susquehanna Railroad Company to have the bonds of the Northern Central Railway Company for the amount due them, and all other claims to be settled by said company.

ZENAS BARNUM.
SIMON CAMERON.

We agree, to the proposition, if assented to by the Baltimore and Susquehanna Railroad Company.

JOHN P. KENNEDY,
LLOYD W. ROGERS,
Majority of Committee.

We agree, on behalf of the Baltimore and Susquehanna Railroad Company, to the above plan of consolidation.

COLEMAN YELLOTT,
JAMES FRAZIER,
Majority of Committee.

90 On motion, it was resolved unanimously that this company agree to accept the proposition reported by the committee, setting forth the basis for the consolidation of the several companies.

On motion, the following preamble and resolution were unanimously adopted:

Whereas it is important, in case the plan of consolidation as reported by the committee and adopted by this company should fail, that early measures be taken to complete the work on the Susquehanna road: Therefore—

Resolved, That the chairman of this meeting appoint a committee of three, who shall be executive committee, to concur with the York and Cumberland Company in adopting all necessary and proper measures for the early and effectual prosecution of the work upon the Susquehanna railroad and the completion of the same.

ROB'T S. HOLLINS, *Sec'y.*

THURSDAY, *October* 19*th*, 1854.

At an adjourned meeting of the stockholders of the Baltimore and Susquehanna Railroad Company, held at Calvert station, the State and city being represented, the preceding report was unanimously adopted.

JAMES FRAZIER, *Chairman.*

JAMES WILSON, *Secretary.*

91 Articles of union, made and concluded this fourth day of December, one thousand eight hundred and fifty-four, between the Baltimore and Susquehanna Railroad Company, the York and Maryland Line Railroad Company, the York and Cumberland Railroad Company, and the Susquehanna Railroad Company.

Whereas, by an act passed by the general assembly of Maryland at January session, eighteen hundred and fifty-four, entitled "An act to authorize the consolidation of the Baltimore and Susquehanna Railroad Company with the York and Maryland Line Railroad Company, the York and Cumberland Railroad Company, and the Susquehanna Railroad Company, by the name of the Northern Central Railway Company," it was among other things enacted "that the stockholders of the Baltimore and Susquehanna Railroad Company be and they are hereby authorized, upon their expressing their assent to and accepting this act, to unite and consolidate their company or corporation with the York and Maryland Line Railroad Company, the York and Cumberland Railroad Company, and the Susquehanna Railroad Company, in the State of Pennsylvania, so as to form and constitute one company or corporation, to be called the Northern Central
92 Railway Company, on such terms and conditions and conformably to such agreements and regulations as the said several companies shall respectively determine and adopt.

And whereas, by an act passed by the general assembly of Pennsylvania at January session, eighteen hundred and fifty-four, entitled "An act to authorize the consolidation of the York and Maryland Line Railroad Company, the York and Cumberland Railroad Company, and the Susquehanna Railroad Company with each other, and with

the Baltimore and Susquehanna Railroad Company of the State of Maryland unto one company, to be called "the Northern Central Railway Company," it was among other things enacted "that it shall and may be lawful for the stockholders of the York and Maryland Line Railroad Company, the York and Cumberland Railroad Company, and the Susquehanna Railroad Company, upon their severally expressing their assent to and accepting this act, to unite and consolidate their several companies with each other, and with the Baltimore and Susquehanna Railroad Company in Maryland, so as to form and constitute one company or corporation, to be known by the name of the Northern Central Railway Company, which union or consolidation shall be made on such terms and conditions and conformably to such regulations and agreements as the said several companies shall respectively determine and adopt.

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And whereas the stockholders of the said Baltimore and Susquehanna Railroad Company, of the said York and Maryland Line Railroad Company, of the said York and Cumberland Railroad Company, and of the said Susquehanna Railroad Company have severally assented to and accepted the above mentioned acts of the general assemblies of Pennsylvania and Maryland, and have agreed to consolidate their several companies aforesaid into one company, to be known by the name of the Northern Central Railway Company, and have settled, determined, and agreed to upon the terms and conditions of such union or consolidation in pursuance of the powers given by and in conformity to the provisions of the said above-mentioned acts:

Now, these articles witness that the Baltimore and Susquehanna Railroad Company, the York and Maryland Line Railroad Company, the York and Cumberland Railroad Company, and the Susquehanna Railroad Company, by virtue of the authority given by the acts of the general assemblies of Maryland and Pennsylvania, have agreed and do hereby agree to unite said four companies into one, to be called the Northern Central Railway Company, upon the terms and conditions following:

First. The said four companies are hereby united, and

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from and after the first election of directors hereinafter provided for in the third article, and the execution and delivery of the several conveyances provided for in the fourth article, shall be merged unto one body corporate, under the name and style of the Northern Central Railway Company, and all the estate, real, personal, and mixed, and all the rights, privileges, advantages, and immunities belonging to each of the said corporations shall become and be vested in the said body corporate, and the debts and liabilities of each of the said corporations shall be deemed and are hereby declared to be the debts and liabilities of the said consolidated company, subject to the conditions prescribed in and as the same are provided for and required by the said acts of consolidation.

Second. The capital stock of the said company shall be divided into shares of fifty dollars each, and in the commencement, and until it may be thought necessary to increase the same hereafter under the authority given by the acts of incorporation, shall be established at

amount which may be found necessary to make the distribution of stock hereinafter provided for.

Third. A meeting of the stockholders of the Baltimore and Susquehanna Railroad Company, of the York and Maryland Line Railroad Company, of the York and Cumberland Railroad Com-
95 pany, and of the Susquehanna Railroad Company shall be held at Calvert station, in the city of Baltimore, on the fourth day of December, in the year eighteen hundred and fifty-four, at twelve o'clock, for the purpose of electing twelve directors of the Northern Central Railway Company, of which meeting and of the time and place thereof notice shall be given by the secretary of the Baltimore and Susquehanna Railroad Company, by advertisement published two weeks previous thereto in two newspapers of the city of Baltimore, and by the secretary of the York and Cumberland Railroad Company, by advertisement published two weeks previous to said meeting in at least two newspapers of the State of Pennsylvania, at which meeting twelve directors shall be elected by the said stockholders, voting in person or by proxy, and each of said stockholders shall be entitled to vote at such election such number of shares of the capital stock of the Northern Central Railway Company as he, she, or they would respectively be entitled to receive by virtue of the terms of the fifth article hereof, in lieu of stock owned on that day by him, her, or them in either of the four companies aforesaid, and the twelve directors so elected shall hold their offices until the ensuing annual meeting of the stockholders and until their successors are elected,
96 and, together with such additional directors as the State of Maryland and the city of Baltimore may be legally entitled to have, and shall have appointed, shall within thirty days after their election as aforesaid elect a president and directors, shall thenceforward, in conformity with the authority given by the said acts of consolidation, appoint all necessary officers of said company, regulate their salaries, and make such by-laws as they may deem necessary for the government of the company, and cause to be made and use a common seal for said company, and do all other lawful acts for the proper management of the affairs of said company not inconsistent with the terms and conditions herein contained.

Fourth. The Baltimore and Susquehanna Railroad Company, the York and Maryland Line Railroad Company, the York and Cumberland Railroad Company, and the Susquehanna Railroad Company shall each and severally, within ten days after the election of directors and president provided for in the last preceding article, transfer and convey, by deeds duly executed and attested by the corporate seal of said corporations respectively, all their respective property, estate, and effects of every kind and description, as fully as they are authorized to do by the acts of the legislatures of Maryland and Pennsylvania relating to the consolidation of the Northern Central Railway Company, to be held in absolute property by said company, according to the provisions and conditions of the said acts
97 authorizing the consolidation.

Fifth. In consideration of the transfer and conveyance by the Baltimore and Susquehanna Railroad Company, according to the requirements of the last preceding article, the Northern Central Railway Company shall, as soon as convenient hereafter, issue and deliver to the private stockholders of the said Baltimore and Susquehanna Railroad Company certificates for two shares of the capital stock of the Northern Central Railway Company for each one share held by each of said private stockholders respectively in the said Baltimore and Susquehanna Railroad Company at the date of its said deed of transfer, and shall issue and deliver to the State of Maryland and to the city of Baltimore each four thousand shares of the capital stock of the Northern Central Railway Company, the said several allotments of stock to the private stockholders and to the State of Maryland and the city of Baltimore to be delivered in lieu of the stock held by them respectively in said Baltimore and Susquehanna Railroad Company at the date of its said deed of transfer, which latter stock so held by the said several stockholders shall thereupon be deemed to be extinguished, and the certificates therefor shall be delivered up to the Northern Central Railway Company to be cancelled, but the issue of stock above provided for shall not be made to any of the stockholders of the Baltimore and Susquehanna Railroad Company until a proper deed of transfer shall have been executed and
98 delivered by the York and Maryland Line Railroad Company, as required by the last preceding article.

And in consideration of the transfer and conveyance made by the York and Cumberland Railroad Company, as provided for in the last preceding article, the Northern Central Railway Company shall, as soon as convenient thereafter, issue and deliver certificates for twenty-seven thousand two hundred shares of the capital stock of said last named company to the stockholders of said York and Cumberland Railroad Company, and rateably divide the same among them according to the amounts of the stock of the York and Cumberland Company held by them respectively at the date of said deed of transfer given by said company.

And in case of fractions of a share of stock being required to be issued, then there shall be given to each stockholder who may be entitled to the same a script certificate for any excess over and above the par value of a share of stock, the said script being fundable in stock at par, on the presentation of script certificates equal in value to one or more shares, provided that said certificates shall not be entitled to dividends until funded in stock, nor be transferable on the books of the company, except on the surrender of one or more certificates to be funded, in which case a certificate shall be issued for any balance remaining over and above any one or more shares so presented to be funded.

And the said issue and delivery of the said twenty-seven thousand two hundred shares shall be in lieu of the stock of the said
99 stockholders in the said York and Cumberland Railroad Company, which latter stock is to be cancelled and delivered up as is hereinabove provided in the case of the Baltimore and Susque-

hanna Railroad Company, and in consideration of the issue and delivery of the said twenty-seven thousand two hundred shares of stock to the York and Cumberland Railroad Company, the said company shall be deemed (and they do hereby so declare it) to have forever relinquished and surrendered to the Northern Central Railway Company all claim or right to any interest or property in the grant heretofore made to said York and Cumberland Railroad Company, by an ordinance of the mayor and city council of Baltimore, approved on the third day of April, in the year eighteen hundred and forty-eight, entitled "An ordinance to provide for carrying into effect an act of the general assembly of Maryland, entitled a further supplement to an act to incorporate the Baltimore and Susquehanna Railroad Company, passed at December session, eighteen hundred and forty-seven, and assented to by the mayor and city council of Baltimore at their present session, by which ordinance the said city of Baltimore granted, for fifteen years from its passage, all the dividends which might be declared in favor of said city upon the nine hundred and fifty thousand dollars of debt, and stock held by the said city in the said
100 Baltimore and Susquehanna Railroad Company.

And in consideration of the transfer and conveyance made by the Susquehanna Railroad Company, as provided for in the last preceding article, the Northern Central Railway Company shall, as soon as convenient thereafter, issue and deliver to the bona fide and actual stockholders of the Susquehanna Railroad Company, who have paid up the full par value of the stock subscribed by them in said company, and upon their production of the certificates of the said stock, two shares of the stock of the Northern Central Railway Company for each one share of stock in the Susquehanna Railroad Company held and paid for by them as aforesaid, the said issue of stock to be in lieu of that held by them in the said Susquehanna company, which shall be delivered up and cancelled. Provided that the said Northern Central Railway Company shall be and is hereby authorized to adjust and settle the claims of the contractors with the Susquehanna company, who by virtue of their contracts are entitled to stock in the same, either by the issue of stock to said contractors in the proportion last above described, or, if the said contractors or any of them prefer it, to settle the said claims respectively by giving the bonds of the Northern Central Railway Company for the amounts due, on such terms and conditions as the said company and the said con-
101 tractors may adjust and determine between themselves.

And the said Northern Central Railway Company shall also settle with the said contractors for all other claims which may be justly due to them, which settlement shall be made in such manner as the said company and the said contractors shall agree upon as satisfactory and equitable to each.

Sixth. The Northern Central Railway Company shall, in consideration of the transfers and conveyances hereinbefore provided for, and in consideration of the performance of the several stipulations contained in these articles, and required to be performed by the several companies above mentioned, assume upon itself and become bound

and liable for all the debts, obligations, and liabilities of the several companies composing the consolidated company, (including the debt of eight hundred and fifty thousand dollars, $850,000,) of the Baltimore and Susquehanna Company to the mayor and city council of Baltimore, and interest on the same, or so much of said interest as the said mayor and city council may be entitled to, in accordance with the terms and conditions mentioned and prescribed in the acts of the legislatures of Maryland and Pennsylvania authorizing the consolidation.

In witness whereof, the said the Baltimore and Susquehanna Rail-
road Company, the York and Maryland Line Railroad Com-
102 pany, the York and Cumberland Railroad Company, and the Susquehanna Railroad Company, the parties to these articles of union or agreement, have caused their respective corporate seals, attested by the signatures of their respective presidents and secretaries, to be hereunto affixed, the day and year first hereinbefore written.

GEORGE W. HUGHES.
President Balt. & Susq. R. R. Co.

[SEAL.] ROB. S. HOLLINS, *Sec'y.*

GEORGE W. HUGHES.
President York & Maryland Line R. R. Co.

[SEAL.] ROB. S. HOLLINS, *Sec'y.*

JOHN HERR,
President York & Cumberland R. R. Co.

[SEAL.] JOHN S. LEIB, *Sec'y.*

SIMON CAMERON.
President Susquehanna R. R. Co.

[SEAL.] ROB. S. HOLLINS, *Sec'y.*

STATE OF MARYLAND, OFFICE OF THE SECRETARY OF STATE,
Annapolis, February 23, 1865.

I, William B. Hill, secretary of state of the State of Maryland, do hereby certify that the foregoing is a correct copy of the report of the president of the Northern Central Railway Company of the con-
solidation of the Baltimore and Susquehanna Railroad Company
103 with the York and Maryland Line Railroad Company, the York and Cumberland Railroad Company, and the Susquehanna Railroad Company, under the provisions of chapter 250, acts of 1854, of the general assembly of Maryland, taken from the records of this office.

In testimony whereof, I have hereto affixed my name and the seal of my office this twenty-third day of February, in the year of our Lord one thousand eight hundred and sixty-five.

[SEAL.] WM. B. HILL, *Secretary of State.*

And thereupon prayed the court to instruct the jury as follows:

The defendant prays the court to instruct the jury, that, by force of the act of Congress in such case made and provided, that holders of bonds wherever resident are liable to the deduction from said coupons of five per cent.; and that by force of the acts of Pennsylvania, given in evidence, they are also further liable to the deduction of three mills per dollar upon each bond to which said coupons are annexed, and that the plaintiff is only entitled to recover the amount of said coupons, less the eight per cent. above specified.

But the court refused to grant the said prayer of defendant,
104 and gave its instructions to the jury as follows:

The prayer of the defendant is overruled and the following instruction is given to the jury.

If the jury shall find from the evidence that at the commencement of this suit the plaintiff was the lawful holder of coupons representing interest due on bonds of the defendant held by him, and that the plaintiff when he purchased said bonds was a British subject, and resident in Ireland, and that he now resides there, the plaintiff is entitled to recover the amount of such coupons without deductions.

To which refusal of defendant's prayer, and to which instruction given by the court, defendant excepted and prayed the court to sign this its bill of exceptions, and which is here done accordingly, this 22d day of November, A. D. 1865.

S. P. CHAS. *C. J.* [SEAL.]
WILLIAM F. GILES. [SEAL.]

105 And now here on this day, to wit, the 24th day of November, in the year of our Lord 1865, the said the Northern Central Railway Company produced to the said circuit court here the writ of the United States of America, for the correcting of errors of and upon the premises, commanding the record and proceedings aforesaid of the judgment aforesaid, so as aforesaid rendered, with all things concerning the same, to be transmitted to the Supreme Court of the United States, to be held at the city of Washington, on the first Monday in December next, which writ of error is in the words and of the tenor following, to wit:

107 THE UNITED STATES OF AMERICA, *ss:*

The President of the United States of America to the judges of the circuit court of the United States for the fourth circuit, in and for the Maryland district, greeting:

Because in the record and proceedings, as also in the rendition o the judgment, of a plea which is in the said court before you, or some of you, between John G. Jackson, plaintiff, and the Northern Central Railway Company, defendants, a manifest error hath happened, to the great damage of the said Northern Central Railway Company, as by their complaint appears, we being willing that error, if any hath been, should be duly corrected, and full and speedy justice done to the parties aforesaid in this behalf, do command you that if judgment be therein given, that then, under your seal, distinctly and openly,

you send the record and proceedings aforesaid, with all things concerning the same, to the Supreme Court of the United States, together with this writ, so that you have the same at Washington on the first Monday in December next, in the said Supreme Court to be then and there held, that the record and proceedings aforesaid
108 being inspected, the said Supreme Court may cause further to be done therein, to correct that error, what of right and according to the laws and custom of the United States ought to be done.

Witness the honorable S. P. Chase, Chief Justice of our Supreme Court, the first Monday in December, in the year of our Lord one thousand eight hundred and sixty-four.

Issued November 24, '65.

[SEAL.] JAS. W. CHEW, *Cl'k Circuit Court.*

109 In pursuance whereof, and according to the form and effect of the act of Congress in such case made and provided, a transcript of the record and proceedings of the judgment aforesaid, so as aforesaid rendered, with all things relating to the same, together with the said writ of error, are hereby transmitted to the said Supreme Court accordingly.

Writ of error bond.

Know all men by these presents that we, Benjamin F. Newcomer and George Small, of the city of Baltimore and State of Maryland, are held and firmly bound unto John G. Jackson in the just and full sum of fifty-three hundred dollars, to be paid to the said John G. Jackson or his certain attorney, to the payment whereof, well and truly to be made and done, we bind ourselves, our heirs, executors, and administrators, firmly by these presents. Sealed with our seals and dated this twenty-fifth day of November, eighteen hundred and sixty-five.

Whereas the said John G. Jackson did obtain a judgment against the Northern Central Railway Company for the sum of twenty-six hundred and fifty dollars in the circuit court of the United States for the fourth circuit, in and for the Maryland district, at the November term, in the year of our Lord eighteen hundred and sixty-five.

From which judgment the said Northern Central Railway
110 Company have sued out a writ of error, returnable to the next term of the Supreme Court of the United States, to be held at the city of Washington on the first Monday in December next.

Now, the condition of the above obligation is such, that if the said Northern Central Railway Company shall not cause a transcript of the record and proceedings of the said circuit court to be transmitted to the said Supreme Court within the time required by law, and prosecute the said writ of error with effect, and also satisfy and pay to the said John G. Jackson, or his certain attorney, in case the said judgment shall be affirmed, as well the sum of twenty-six hundred and fifty dollars debt, damages, and costs, adjudged in the circuit

court aforesaid, as also all damages and costs that may be awarded in the said Supreme Court, then the said bond to be and remain in full force and virtue; otherwise, of no effect.

B. F. NEWCOMER. [SEAL.]
GEO. SMALL. [SEAL.]

Signed, sealed, and delivered in presence of—
JOHN S. LEIB.

111 The United States of America to John G. Jackson, greeting:

You are hereby cited and admonished to be and appear at a Supreme Court of the United States to be held at the city of Washington on the first Monday in December next, pursuant to a writ of error filed in the clerk's office of the circuit court of the United States for the fourth circuit, in and for the Maryland district, wherein the Northern Central Railway Company are plaintiffs in error and you are defendant in error, to show cause, if any there be, why the judgment rendered against the said Northern Central Railway Company, as in the said writ of error mentioned, should not be corrected, and why speedy justice should not be done to the parties in this behalf. Witness my hand and seal this 25th day of November, in the year of our Lord one thousand eight hundred and sixty-five.

[SEAL.] S. P. CHASE, *Ch. Jus. S. C. U. States.*

I acknowledge notice of the above citation.

GEO. H. WILLIAMS, *Att'y for Pl'ffs.*

112 In testimony that the aforegoing is a true copy taken from record and proceedings of the circuit court aforesaid, I have hereunto subscribed my name and the seal of the said circuit court affixed, this sixth day of December, in the year of our Lord one thousand eight hundred and sixty five.

[SEAL.] JAMES W. CHEW, *Clerk Circuit Court.*

[5-cent rev. stamp.]

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No 105

SUPREME COURT OF THE UNITED STATES.

THE NORTHERN CENTRAL RAILWAY COMPANY,
Plaintiff in Error,

vs.

JOHN G. JACKSON,
Defendant in Error.

In Error to the Circuit Court of the United States for the District of Maryland.

BRIEF FOR PLAINTIFF IN ERROR.

This suit was instituted by John G. Jackson against the Northern Central Railway Company, on the 3d day of April, 1865. The declaration (p. 1) contains three counts. The 1st for money lent; the 2d for money had and received; the 3d states, "that the Plaintiff being the holder of twenty-six hundred "and fifty dollars in coupons of the bonds of said Company, (the "Defendant herein,) now overdue, was promised by the Defend- "ant that it would pay the same, but upon the tender thereof for "payment, the Defendant refused to pay, and did not pay the "same."

The Defendant filed the plea of *non assumpsit*, upon which issue was joined.

At the trial below, the Plaintiff gave in evidence (p. 3 & 4) the fact that he was a British subject, and was the holder of the coupons sued on, being for six months interest, due Jan'y 1st, 1865, on bonds for $1,000 each, issued by the Defendant. And that he had demanded payment at the proper office of the Defendant, in the City of Baltimore, and that the Defendant offered to pay the same, *deducting* a tax of five per cent. alleged by it to be due to the United States under the Act of Congress, and a further tax of three mills per dollar upon the principal of each bond, and which was by the Defendant in like manner to be reserved and payable to the State of Pennsylvania under the laws thereof. And that the Plaintiff refused to accept the same allowing such deductions.

The only question involved in this appeal is the right of the Defendant to make the above deductions.

The mortgage given by the Northern Central Railway Company to secure the payment of the indebtedness for which these coupon bonds were issued, will be found *at pages* 4 *to* 9.

The Record (*page* 9 *to* 46) is occupied with formal evidence of the formation of the Northern Central Railway Company by the consolidation of several pre-existing Companies, to which it is unnecessary to advert, *except to call attention to the fact*, that the Northern Central Railway Company was incorporated under the joint legislation of the States of Maryland and Pennsylvania, and that its franchises are exercised, and its property and estate, including its line of railway, are located partly in each of those States; the southern terminus of the road being at Baltimore, in the State of Maryland, and the nothern terminus at Sunbury, in the State of Pennsylvania.

The Defendant (p. 47) prayed the Court below to instruct the jury,

"That by force of the Act of Congress, in such case made "and provided, holders of bonds, wherever resident, are liable to "the deduction from said coupons of five per cent., and that by "force of the acts of Pennsylvania given in evidence, they are "also further liable to the deduction of three mills per dollar

"upon each bond to which said coupons are annexed; and that "the Plaintiff is only entitled to recover the amount of said cou- "pons, less the eight per cent. above specified."

The Court refused this prayer, and gave the following instruction to the jury:

COURT'S INSTRUCTION.

"If the jury shall find from the evidence that, at the com- "mencement of this suit, the Plaintiff was the lawful holder of "coupons representing interest due on bonds of the Defendant "held by him, and that the Plaintiff, when he purchased said "bonds, was a British subject and resident in Ireland, and that "he now resides there, the Plaintiff is entitled to recover the "amount of such coupons without deduction."

The correctness of the action of the Court below is the question now presented to the consideration of this Court.

On the part of the Plaintiff in Error, it is submitted—

1st. That section 122 of the Internal Revenue Act, passed June 30th, 1864, covers by express and adequate language, the whole question, as far as the *National* tax is concerned.

It enacts that Rail Road and other Companies indebted for any money for which bonds or other evidence of indebtedness have been issued, upon which interest is stipulated to be paid, *or coupons representing the interest*, &c., "shall be subject to and "pay a duty of five per centum on the amount of *all such interest* "*or coupons*, dividends or profits, whenever the same shall be pay- "able." And it then adds, "and said Companies are hereby "authorized *to deduct and withhold from all payments on account* "*of any interest, or coupons and dividends, due and payable as* "*aforesaid, the duty of five per centum.*" And the same section provides that the payment of the amount of said duty *so deducted* from the interest or *coupons*," &c., "*shall discharge said Company* "from that amount of the dividend, or interest, or *coupon*, on the "bonds or other evidences of their indebtedness, so held *by any* "*person or party whatever*, except where said Companies may have "contracted otherwise."

The language used in the foregoing section is plain, and not susceptible in itself of misconstruction. It applies in terms to *all* coupons of the classes named, and to *all* holders of such coupons, without any other exception or reservation than the obvious one of cases covered by special contracts. No exception is in terms made in favor of aliens.

Each of the Rail Road and other Companies referred to is subjected to a duty of five per cent. "on the amount of *all* such "interest or coupons," &c., and is authorized to deduct and withhold said duty from "*all* payments on account of any interest or "coupons," &c., and the payment of the duty is declared to discharge said Company from that amount of the interest or coupons on the bonds "so held by *any person or party whatever.*"

It may be remarked, in passing, that it is evident the Companies themselves were not intended to bear the burthen of this tax; the design being merely to make them *collectors* from such only of the coupon holders as are liable under the law.

The claim of the Defendant in Error is, that although the language used in the 122d section is broad enough to cover all bond holders, whether aliens or citizens, yet the section must be considered in connection with section 116, as amended by the Act of March 3d, 1865, which, in the enumeration of the persons made subject to an income tax, *excepts* aliens. But it is submitted, with great respect, that the two sections do not conflict; nor is there any apparent obscurity in the language of either which calls for the aid of the other in interpreting its meaning. Because, in a *general classification* of persons who are taxable, aliens are excepted, is no reason why, in *special* cases, they should not be taxed. As a *class* they are not taxed, because neither their persons nor their estates are within the control of, or derive any benefits from the government imposing the tax. But the real or personal property of a non-resident alien, are conceded to be proper subjects for taxation, at the place where it is located, because of the protection and other benefits conferred upon it by the taxing power. Now, although the plaintiff in this case may not have any *property* located in this country, he is the holder of bonds the payment of which is wholly and solely *secured* to him by *property* located here, and while this government extends the aegis of its protection and the benefit of its

institutions and laws over the property and franchises out of which those bonds are to be paid, there is no reason why it should not, for such protection and to the extent of his interest in the property so protected and benefitted; demand of the Plaintiff (*although an alien*, and as such excepted from the *general* income duty imposed by the 116th section) an equivalent in the shape of the tax imposed by section 122.

Therefore, the fact of the 116th section distinguishing between foreigners and citizens, does not necessarily show, that in the special cases provided for in the 122d section, the same distinction, even though not expressed in words, is intended to apply.

2d. In regard to the tax claimed under the statutes of Pennsylvania.

The 32d section of the Act of 29th April, 1844, (*Purdon's Dig.*, 949,) enumerates the objects of taxation, and among others, "money owing by solvent debtors."

The 34th section imposes a tax of three mills on every dollar of the value of the properties enumerated in the 32d section.

The Act of May 1st, 1854, (*Purd.*, 942.) places a legislative construction upon the Act of 1844.

The right to deduct the tax from the coupons is declared by the Act of 30th April, 1864, sec. 3. (Purd., 1378.)

These several Acts have received a judicial interpretation by the highest legal tribunal in that State, in the recent case of

Maltby vs. R. & C. R. R. Co., 52 Penn., 140.

By that decision the tax is sustained, as well as the right of the Company to deduct it from the amount of the coupons, without reference to the citizenship or residence of the holder.

The Courts of Pennsylvania being the authoritative expounders of the State statutes, (Morgan vs. Curtenius, 20 How., 1,) it must be treated as settled by *Maltby's* case, that the legislative power of that State *designed* to tax, and has *in fact* taxed, these coupons, as well those held by non-resident aliens, or citizens of other States, as others; and further, that it *designed* to give and has *in fact* given to the corporations whose coupons are thus taxed the authority to deduct from and claim as a credit upon all such coupons, *by whomsoever held*, the amount of the tax thus imposed.

3d. From these views, if correct, it results, that the Act of Congress, *in terms*, and the statutes of Pennsylvania, as *judicially interpreted* by the Courts of that State, equally direct the imposition of the tax, and equally authorize its deduction from the amount due on the coupons at the time of their payment, in *all cases*, and by *whomsoever held*. And it is therefore submitted, in conclusion, that there was error in the action of the Court below, as well in the instruction given, as in the refusal to give the instruction given, as in the refusal to give the instruction asked for by the Plaintiff in Error.

J. MASON CAMPBELL, Bernard Carter

For Plaintiff in Error.

SUPREME COURT OF THE UNITED STATES.

Northern Central Railway Company	ERROR TO
vs.	CIRCUIT COURT
John G. Jackson.	FOR *MARYLAND DISTRICT.*

SUPPLEMENTAL BRIEF FOR PLAINTIFF IN ERROR.

The Plaintiff in error, in continuation of points made in the brief already filed, submits the following :

1.—This Court will adopt the construction placed on the Pennsylvania statutes by the Supreme Court of that State in the case of *Maltby* vs. *R. & C. R. Co.*, 52 Pa. 140, although this decision was rendered after the decision of the Circuit Court now under review.

4 *Peters*, 124.
U. S. vs. *Morrison*, 6 *Peters*, 291.
See also 4 *Wallace*, 217.

2.—Congress has, by the Act of March 10, 1866, (vol. 14, p. 5, ch. 15, sec. 2,) declared that the 122d section of the Act of June 30, 1864, the words of which were broad enough to include aliens and foreigners, was intended to include them.

3.—The State of Pennsylvania, as well as the United States, had a clear right to impose the taxes in question, and the fact that the Defendant in error is a British subject and resident abroad is altogether immaterial.

The principles announced in the authorities hereto appended support this proposition.

4 *Wheaton*, 429, *McCulloh* vs. *State of Maryland*.
4 *Peters*, 561, *Providence Bank* vs. *Billings*.
Tilghman, *C. J.*, in 6 *Binney*, 353—361.
Milne vs. *Moreton*, 12 *Wheaton*, 358.
Ogden vs. *Saunders*.
Story on Conflict of Laws, *sections* 549, 550.
5 *Cranch*, 289, *Harrison* vs. *Sterry*.

4.—The taxes in question are not taxes on the person of the Defendant in error, but on his property, which in this case is the debt due to him, as evidenced by the bonds of the Plaintiff in error, which are secured on the whole of its property in Maryland and Pennsylvania; this debt, for the purposes of taxation, has "location" here.

We deduce this proposition from the cases cited under the last point, and also from the following :

16 *Peters*, 447.
3 *Howard*, 133, 140, 150, (*Gordon* vs. *Appeal Tax Court*.)
12 *Gill & Johnson*, 117, (*Appeal Tax Cases*.)

5.—The true view to take of the 122d section of the Act of Congress of June 30, 1864, (Stat. at Large, vol. 13, p. 284, ch. 173,) is that it is a tax on the whole property of the corporation; or tax on the income of the corporation, treating the corporation for this purpose as a natural person; and taking its whole revenue, after deducting working expenses, it imposes a tax of 5 per cent. on this revenue; now these net earning are ascertained, first, by taking what is appropriated to paying interest on its bonds, if any it has; and, 2d, by taking the amount paid for dividends to its stockholders; these two sums embrace its whole net earnings; these are what are taxed, and the tax, thus imposed having been paid to the United States, only what is left is to be paid to the holders of the bonds in the one case, and the owners of the stock in the other.

The same principle is acted on in sections 120. 121 of same act.

6.—If this tax is treated as a tax on the income of the individuals, then it is an uneven tax, and contrary to the spirit of the income tax, which only taxes income over a certain amount.

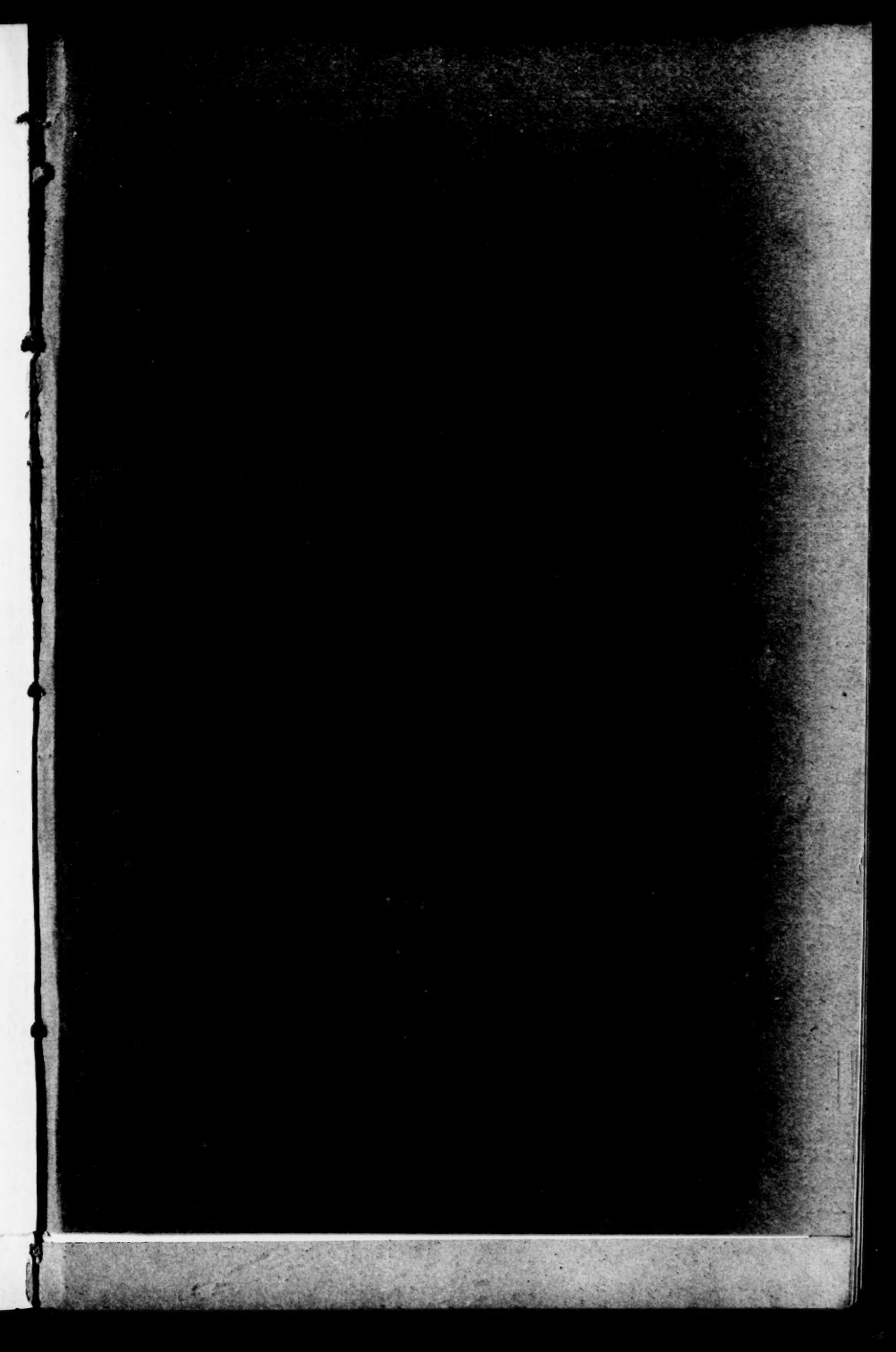
[redacted]

(over)

In reply to the 3d Point in the Brief of Defendant in Error, we say that the case of Wheeler *vs.* Ohio and Miss. R. Co., 1 Black, 286, does not sustain the position for which it was cited. The Plaintiff in Error, though incorporated by the State of Maryland, has existence, and is in the exercise of its powers, in Pennsylvania, in consequence of the Legislation of that State, and the proceedings set forth in the Record from p. 9 to 46; and having its habitation, as well as its property there, and issuing the Bonds held by Deft. in Error under its laws, is subject to, and embraced by the tax laws of that State.

Laws of Penn. 1854, *No.* 531.
Laws of Maryland, 1854, *ch.* 250.
Bank of U. S. vs. *Devaux*, 5 *Cranch*, 61.
Bank of Augusta vs. *Earle*, 13 *Peters*, 519—582.
Society, &c. vs. *New Haven*, 8 *Wheat*, 482—490.
2 *Bland*, (*Md.*) *Ch.* 143 *to* 149.—(Binney's case.)
2 *Howard, Charleston, &c. R. Co.* vs. *Letson.*

BERNARD CARTER,
Att'y for Pl'ff in Error.



SUPREME COURT OF THE UNITED STATES,

DEC. TERM, 1867,

No. 105.

NORTHERN CENTRAL RAILWAY COMPANY

vs.

JOHN G. JACKSON.

It is agreed in this cause that the Coupons sued on were Coupons belonging to, and detached from, Bonds mentioned in and secured by the Deed of Mortgage inserted in the Record in this case (pp. 4 to 7).

BERNARD CARTER,

Att'y for Pl'tf. in Error.

GEO. H. WILLIAMS,

WM. A. FISHER,

Att'ys for Def't in Error.

IN THE SUPREME COURT OF THE UNITED STATES.

NORTHERN CENTRAL RAILWAY COMPANY

vs.

JOHN G. JACKSON.

ERROR TO THE CIRCUIT COURT FOR THE DISTRICT OF MARYLAND.

IN THE SUPREME COURT OF THE UNITED STATES.

NORTHERN CENTRAL RAILWAY COMPANY

vs.

JOHN G. JACKSON.

ERROR TO THE CIRCUIT COURT FOR THE DISTRICT OF MARYLAND.

Statement of Defendant in Error.

Defendant in Error, a foreigner and subject of the Queen of Great Britain, sued the Plaintiff in Error for $2,650, the amount of its coupons due on Bonds of said Company, and held by him, and which were overdue and unpaid—all which was admitted; and that upon demand made, they offered to pay the amount thereof less 5 per cent. income tax to the United States, and 3 mills upon each Bond reserved to the State of Pennsylvania, under the laws thereof, and that Defendant in Error refused to accept the same allowing such deductions.

The Plaintiff in Error gave in evidence the Deed of Trust or Mortgage securing said Bonds, dated 20th December, A. D. 1855—also Articles of Union consolidating into one Company corporations chartered by the States of Pennsylvania and Maryland, and the proceedings of said corporations authorizing and assenting to the legislation of said States effecting said Union; and then prayed the Court to instruct the Jury, that by force of the Act of Congress, holders of Bonds, wherever resident, are liable to pay the deduction of 5 per cent.; and also, by the laws of Pennsylvania, to pay the additional 3 mills on each Bond; and that the Plaintiff was duly entitled to recover the amount of the coupons less 8 per cent. as specified. (P. Record, p. 47.)

This prayer the Court refused, and instructed the Jury thus—(P. Rec., p. 47:)

"If the Jury shall find from the evidence, that at the commencement of this suit, the Plaintiff was the lawful holder of coupons representing interest due on Bonds of the Defendant, held by him, and that the Plaintiff, when he purchased said Bonds, was a British subject, and resided in Ireland, and that he now resides there, the Plaintiff is entitled to recover the amount of such coupons without deductions."

The Jury found a verdict for the Plaintiff in accordance with this instruction.

The Defendant in Error, in support of the ruling of the Court below, will insist—

1st. That by the true construction of the Internal Revenue Act of Congress, approved March 3d, 1865, no attempt was made to tax the incomes of persons except of citizens of the United States wherever resident, and the incomes of *residents*, whether citizens or not.

2d. That even if Congress had made an attempt to tax the incomes of foreigners resident in their own countries, it would have been "ultra viris." That every nation can tax its own subjects wherever they may be, and all property within its territory; but it cannot tax subjects of a foreign power who are not domiciliated within its territory, nor can it tax the property of foreigners not within its limits.

McCulloh vs. the State of Maryland, 4 Wheaton, p. 429.
Union Bank vs. the State, 9 Yerger's Tenn. Repts, p. 501.

A corporation in the United States, or individuals, when it or they borrow money from a foreigner abroad, by the transaction constitute a debt or chose in action, whose locality is always the locality of the creditor: and to tax it, or the annual interest due on it, is to tax him, resident abroad and not a subject of the taxing power, for that which, in contemplation of law, is also outside the country. In fact, it is an extension of the taxing power beyond the United States, by taxing the property of those dealing with its citizens, and an invasion of the independence and sovereignty of foreign nations. The true principle is, that the laws of no nation can extend beyond its own territories, except so far as regards its own citizens.

The Appollon, 9 Wheaton R., p. 370.

3d. That for like reasons the State of Pennsylvania had no right to tax the coupons on Bonds where both debtor and creditor were outside her territory, and neither of them her subjects. That the Northern Central Railway Company was a Maryland corporation, and had no legal existence as such in Pennsylvania.

Ohio & Miss. R. R. Co. vs. Wheeler, 1 Black R., 286.

4th. That by the true construction of the tax laws of Pennsylvania, no such attempt has been made.

Wm A. Fisher

GEO. H. WILLIAMS,
For Defendant in Error.